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The Nation's Business

Canada Too, Must Take War to the Enemy

Prime Minister King in his broadcast to the Canadian people this week made two points clear:

Canada cannot fight a defensive war only. In association with our allies, we must carry the war to the enemy.

The war situation was never more critical than it is right now.

The Prime Minister was wise to emphasize both of these truths. There are some groups in Canada, and some newspapers, which have been urging that, because we are now menaced on two oceans, we must retain for our own "defense" all or most of our anti-aircraft guns, our fighter planes, our battalions.

If we were to defend Canada only, and to the extent that such a policy denied Canadian men and weapons to those fronts where the enemy can be engaged in 1942, we would be playing the Axis game. There may be, probably will be, "hit and run" raids on our coasts this year; and "suicide" bombing attacks on key power, industrial or railway targets in Canada. The real purpose of these attacks will be psychological rather than strategic. They will be designed to create public sentiment for concentrating on the defense of Canada; in the hope that Canadians will demand that we stop sending men, tools and material to Britain, Russia, North Africa and the Far East.

The Prime Minister is wise to re-emphasize that we must carry the war to the enemy. If Britain is not held against a German onslaught, if Russia is not kept in the war winning victories, if the Japanese are not stopped in the Far East, then indeed the war will be fought on North American soil. Canada's best defense, as of the United States, is to help our allies.

* * *

The Prime Minister does not exaggerate when he says that the war situation "for all free nations, is far more critical today than it has ever been."

One can call to witness another authority, Hanson W. Baldwin, military editor of the New York Times. "A decisive stage" in the Battle of the World has opened, he pointed out this week. On land and in the air, our enemies have clear numerical superiority. Our great advantage — productive and industrial superiority—is still in part potential. The Red Army is slowly losing the initiative. It is about to face the most terrific offensive ever launched, from a German army that is still largely intact. In the Mediterranean a strengthened German army and a weakened British fleet face each other. In the Far East, Japan is mopping up, her forces poised and ready to strike at any time against the virtually undefended coast of India.

We are close to the supreme test of the war. We may be certain that the war will, within a few days or weeks, break out into the most grim and terrific struggles yet known. Canada must play its part in each of them—on the sea, in the air, on land and in the factory, according to the needs of each situation. We must not play a one-sided role: we must take some chances on the home front to ensure that that home front shall not become, in time, the major front of the war.

Mr. King's remarks upon the gravity of the war outlook constitute a challenge to his government. They underscore the necessity for a "yes" vote on the plebiscite. But they do more. They indicate how vital it is that the government should immediately begin to use all its powers to delegate to the people of Canada the war jobs each one should do. Conscription is more than a symbol. It is a necessary tool of the all-out war effort that the Prime Minister declares is so essential.

* * *

GIVE US MORE TO DO

One hears American public men complaining that their people do not fully appreciate the immensity of the challenge implied in the war. "They don't seem to realize that there is a war on" is the burden of the complaint.

Occasionally, Canadian public men say the same thing. Donald Gordon, chairman of the Wartime Prices and Trade Board, suggested as much last week when he asked us not to "keep up a parrot cry for leadership." He told people to get out and lead.

The truth is that, in both countries, the people as a whole are accepting without murmur any sacrifices that their governments are asking of them. If they have any complaint it is that they have not been given enough to do.

Canadian visitors to the United States find men and women anxious to do more but feeling a little helpless in trying to organize themselves from the bottom up.

There's nothing seriously wrong with the general public in either of these countries. The tougher the demands of war upon the civilian population, the keener will be the response of the public.

Neither Ottawa nor Washington need worry about the people. No matter how far the two governments go toward total war the people will be right behind them. But it is no use calling upon the public to do the leading. There must be centralized direction of the war effort. The wasteful confusion that ARP and salvage campaigns got into earlier in the war is evidence of what happens when unorganized individuals feel it necessary to take on jobs that call for careful planning and direction.

* * * *

COMMENDABLE STEP

Appointment of Lieut-General McNaughton to command Canada's First Army in Britain this week is a logical and commendable step. General McNaughton has earned an international reputation as a soldier and a scientist, an ideal combination for an army leader in modern war. The recent attempt of a few politicians to draft McNaughton for prime minister of the Dominion, most people suspect, was inspired merely to gain popularity for themselves from association with a prominent name.

Most real soldiers have never made good politicians and in any case they are too badly needed in their own field at this time to be diverted to other jobs.

The Dominion Government acted wisely in bringing General McNaughton back to Canada a few weeks ago to gain from him first hand advice on the Canadian military organization and of equal importance, advice on our industrial production for war. His real contribution to his native country is either to lead our newly organized First Army or to plan, co-ordinate and direct our whole military effort which means the production of the most modern military equipment as well as the training of men to use it.

* * * *

REVISE THIS COMMITTEE

The latest official directory of principal war organizations in Canada shows the personnel of the cabinet committee on man power as follows: chairman, Hon. J. T. Thorson; other members: Col. Colin Gibson, Hon. Louis St. Laurent.

If this personnel has not been changed since this publication was issued it is high time such a change was made.

Complete responsibility for man power now rests with Hon. Humphrey Mitchell, Minister of Labor. In turn, much of this responsibility has been delegated to the new director of national selective service, Elliott M. Little.

The earlier committee may have served a useful purpose when it was originally created. Now that the man power programme is organized and centralized under the Department of Labor, a new committee which would bear some relationship to the present facts and needs is certainly indicated.

New Lineup For Service Committee

Bigger, Stronger Man Power Group to Weld Unified Programme

By STAFF WRITER

OTTAWA. — An enlarged and greatly strengthened Labor Coordination Committee will be the executive body which will direct and inform Canada's new National Selective Service Organization.

As now constituted this committee has three jobs:

(a) To plan and co-ordinate activities of various government agencies on matters affecting labor.

(b) To anticipate labor requirements of the war programme.

(c) To formulate plans for transferring personnel from non-essential to essential war industries.

Its original membership included Dr. Bryce M. Stewart (chairman); Dr. W. A. Mackintosh (finance); Col. George Currie (Defense); General L. R. LaFleche (War Services); A. W. Crawford (Munitions and Supply); A. J. Hills (Labor Supply Council). Humphrey Mitchell, now Minister of Labor, was secretary of the committee.

Part-time Before

Fact is that the committee up to now has functioned only in part to perform its important responsibilities.

From now on it will be strengthened by direct representatives from the air force, the navy, agriculture, the prices board and possibly pensions and health. Carl Goldenberg, recently named Joint Director-General of the Economics and Statistics Branch of Munitions and Supply, will represent that department. There will be a direct representative of the new National Selective Service organization on the committee.

Present intention is to inject new pep and activity into the committee's deliberations; to make it a clearing house not only of policy but of information.

Government Will Not Underwrite Hearst Visit

By STAFF WRITER

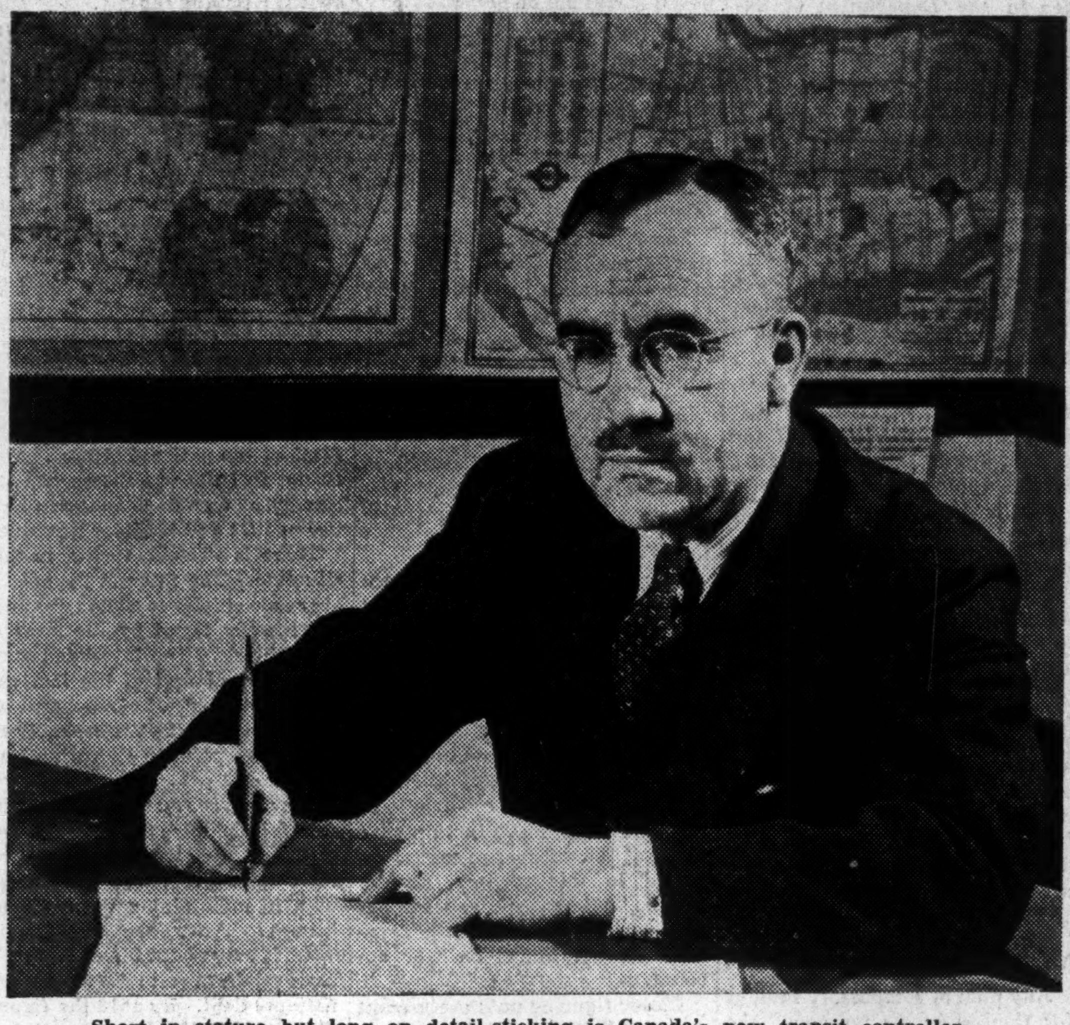
OTTAWA.—Any plans for having anti-British William Randolph Hearst make a tour of Canada's war plants and camps have now been called off, The Financial Post understands. Two weeks ago, The Post called attention to the projected visit, reviewed a number of the anti-British outpourings of the column attributed to Mr. Hearst and run widely by Hearst newspapers in the United States.

At no time was there any possibility that the Dominion government would in any way be associated with an invitation or plans to invite Hearst to this country. Following publication of The Post article from New York it is now thought likely that a private plan proposed by a group of citizens to bring the publisher to this country will be dropped.

The plan, so far as is known here, was developed by well-intentioned individuals who were alarmed at the attitude of the Hearst press and who felt that a visit to Canada might be the means of bringing about a change in view and a better understanding of the Dominion and the Empire war effort. Few people here had heard of the proposed visit until it was publicized by The Post.

The plan had been proposed very quietly but at no time was there any indication or possibility that the government or any official body would in any way be associated with it.

He Gets You to Work But Not to Play



Short in stature but long on detail-sticking is Canada's new transit controller, George S. Gray. Noted for his flair for taking pains and rooting away at a problem until a logical conclusion is worked out, this czar of travel now has plenty of scope for his talents. Deputy Transit Controller since last autumn Mr. Gray already well knows Canada's transportation problems; under his regime Canadians may soon find the number of miles they are allowed to travel for pleasure by bus or tram definitely limited. A graduate of civil engineering at University of Toronto Mr. Gray served with the R.A.F. in the first World War, later became general manager of the Canadian Transit Association and is now motor traffic engineer with the Toronto Transportation Commission.

Look For New Transit Moves

Staggered Hours Plan Gathers Speed

This week as George S. Gray moved to the head chair as Transit Controller from his seven-month-old place as Deputy Controller, Canadians prepared to hear some news about how many miles they will be allowed to travel for pleasure. Officially the new transit czar took over where former controller W. J. Lynch left off "to handle the increasing problems of wartime transportation as rapidly and as efficiently as possible."

Staggered hours plans have already had a good start in Canada but the need for a further easing in the tight transportation situation is very evident. Gray is known to favor more stringent restrictions on non-essential travel than anything Canada has yet seen.

At the present time nearly 60,000 workers in the major industrial centres across Canada have had their hours of work staggered in order to relieve traffic congestion on urban transportation systems.

By next winter the numbers of workers affected may be several times that number.

Situation Under Control

For the time being the situation is under control. The heavy winter traffic is on the downside. Ordinarily, summer months see a sharp decline in urban transportation traffic as workers take to their automobiles or start walking to work.

One thing fairly certain is that unless considerably more is done to stagger hours, the urban transport situation may develop into a bad snarl next winter.

Orders have been issued prohibiting the tearing up of any more street car lines. In the city of Saint John plans have long been considered looking to the removal of street car lines in favor of buses. This idea has been abandoned, at least for the duration of the war.

The salvage committee was casting covetous eyes on the street car lines in Hamilton. Now they will have to look elsewhere.

The old Canadian National electric railway line serving Niagara, St. Catharines, Welland and other points in the area is being reconditioned. Some 23 cars are being renovated and shortly will be put back into service.

All this is being done not only to preserve what tram facilities exist, but also to conserve on the use of rubber tires and gasoline by buses.

Conserve Essential Materials

British Columbia Electric Railway, for example, had plans drawn up for the purchase of new buses to take care of the greatly increased traffic in Vancouver. The company was dissuaded from carrying out this scheme and has since placed an order for street cars. This company's cars and buses on the mainland carried 1.1 million more passengers in January this year than in the corresponding month of 1941.

Elsewhere tramway companies are being discouraged in their plans for new bus equipment in favor of street cars.

Eight Cities Adopt Plan

To date eight Canadian cities have adopted staggered hours. Others are giving serious consideration to its adoption.

In Montreal some 24,000 workers now go to work on the staggered hours plan. They represent about 18 companies and do not include the five large departmental stores which announced a short time ago that they would open at 10 in the morning and close at 6.30 in the evening.

The scheme for the departmental stores struck a snag and the date of the plan going into effect has been deferred. However it is hoped to straighten out the matter shortly and when hours of work are staggered, about 5,500 additional employees will be affected.

Ottawa reports that around 7,500 government employees are on stag-

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Enlist Retailers In Savings Push

Renewed Drive for Smaller Savers to Parallel U. S. Campaign in May — Payroll Deduction Plan Getting Steadily Higher Totals

By KENNETH R. WILSON

OTTAWA.—First concrete "follow-up" to Canada's Second Victory Loan campaign is the move inaugurated here this week to enlist the active support of Canadian retail merchants in the sale of war savings stamps.

Co-operation of retailers in Canada is in charge of W. B. Tingle, vice-president and sales manager of Imperial Tobacco Co. This week he met with Major Benjamin Namm, chairman of the Retail Advisory Committee to the U. S. Treasury and agreed to link sale of war stamps in Canada to the nation-wide campaign which is being undertaken by retailers in the United States next month. The U. S. committee has set an objective of one billion dollars in war stamps and war bonds to be sold in that country by direct salesmanship on the part of retail merchants and salespeople. This quota represents 2% of the total volume of retail sales made in that country in 1941. A corresponding quota for Canada would mean the sale through retail outlets of $60 millions of Victory bonds and war savings stamps and certificates. The U. S. slogan in the May drive is to be: "Take part of your change in War Savings Stamps."

Redraft Organization

Apart from the decision to put steam into the present programme for sale of War Savings Stamps in retail stores in Canada, no agreement has yet been reached as to how this country is to reorganize its war finance programme now that the organization for sale of war savings certificates and stamps has been merged with the Victory Loan sales programme.

Victory Loan campaigns have been organized largely on a professional basis with a corps of highly trained keymen in each area who are enlisted for a twice-yearly blitz on the national payroll and savings account. War savings have been carried on largely by voluntary effort fanning out through 2,300 local committees in as many communities. Each has had its place and has done an important job in enlisting savings and earnings in the war effort.

Now a decision must be reached as to whether Canada is to have a continuation of the periodic "blitz" campaigns, plus some modified or extended continuing programme, or whether there is to be a continuous year-round drive similar to the programme carried on in England.

"Blitz" or Steady Push

At present there are widely varying views as to which programme is best suited to Canadian needs. The probability is that there will be a compromise with a much larger year-round organization supported by "professional" organizers, geared to tap an increasingly larger share of the wage-earners' payroll than is now possible under the periodic Victory Loan campaigns.

Continuing success of the War Savings programme in spite of Victory Loan campaigns and other interruptions is given as proof that there is an important job to be done in carrying on some form of appeal which will reach school children and other groups not covered by Victory Loan or payroll canvass. Current total of War Savings contributions is now $133.6 millions, of which about $84 millions has been collected in the past 12 months. Sales in February and March (without any special sales effort and in spite of the Victory Loan campaign) have been $7.3 millions in each period—slightly higher than the yearly average. Of this total, $4.9 millions has come from payroll deduction plans.

There has been a slow but steady increase in sales of war savings certificates from payroll plans ever since the programme started. They now contribute about 68-70% of the total. Another 12% comes from bank pledges and the remaining 20% from individual pledges, school children, etc. School children are believed to contribute about $5 millions regularly each year to the war savings plan, almost entirely through the sale of stamps week by week. Some 30,000 merit certificates have been distributed to individual classrooms.

There are now about 1,500,000 persons contributing regularly in the purchase of war savings certificates. Actual number of applications in March was 1,178,000.

Distribution of war savings sales by provinces shows 48% from Ontario; 21% from Quebec; 7.5% from B. C.; 7.1% from Manitoba; 5% from Alberta; 4.9% from N.S.; 3.3% from Saskatchewan; 2.6% from N. B.; and .3% from P. E. I.

May Curb Joy Riding On Trains

From Our Own Correspondent

MONTREAL. — Curtailment of railway passenger travel for pleasure purposes is only in the exploratory stages, though some definitive form of action would not be surprising.

If services are curtailed, it will not be altogether because the railways find themselves unable to handle the traffic, but to save labor, materials and fuel to ensure that adequate equipment will be ready at all times for military traffic.

Railwaymen readily admit that in certain sections of the country passenger traffic conditions are tight.

Some Tight Spots

The lines from Montreal to Toronto, Montreal to Ottawa, Montreal to Quebec, have witnessed an exceptionally heavy increase in passenger movements since the outbreak of war.

But the real tightness is not in those three sections, but on the Intercolonial line from Montreal to Halifax. Extraordinarily heavy passenger traffic has been moving between the two points for months past and there is no indication of any slackening. Regular and increased services have been maintained by the Canadian National Railways without apparent difficulty.

In other parts of Canada, passenger traffic on the railways has increased substantially, but the only sections which are of immediate concern are the four mentioned.

Now Studying Situation

The whole situation is now being studied by T. C. Lockwood, Transport Controller, and representatives of the Canadian National Railways and Canadian Pacific Railway. This study is designed to see if any action is needed and, if necessary, what steps should be taken to correct the situation.

A survey of the rail passenger situation brings the views that the C.P.R. and C.N.R. can handle all the traffic offering.

Mass Movement Problem

The congestion, where it exists, is not in the luxury end of the travel business, but in the mass movement of people by rail.

Motive power and rolling stock equipment is adequate except on those sections mentioned. The rolling stock is being used to its maximum, but not with even density of traffic all over the country.

A certain proportion of the motive power and rolling stock has to be retained in sections where passenger traffic is light in order to maintain regular service, so that this equipment cannot be moved willy-nilly to areas where the movement is heavy.

Influence on Traffic

While the ability of the railways to handle the passenger traffic offering is a problem in certain areas, it is claimed that the whole situation can change almost overnight.

It is pointed out that in recent months thousands of people have been uprooted from their usual place of abode and moved to other sections of the country. It takes time for these people to settle down. Meanwhile a man moved from Montreal or Toronto to Ottawa may maintain two homes for several weeks and even months. This means

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February Job Figures Show Labor Surplus

For the first time since March, 1940, and the second time since the outbreak of war, employment in industry in Canada was less at Feb. 1 this year than at the beginning of the previous month, according to Dominion Bureau of Statistics figures. Average weekly earnings continue to rise.

After allowing for the fractional decline at Feb. 1, the index of employment was still 22% higher than a year ago. For all of Canada, average weekly earnings were $27.66 at Feb. 1 this year against $26.13 at Jan. 1 and $25.25 at June 1 last year.

The 12,891 establishments furnishing data to D.B.S. reported 1,653,942 on their combined staffs at Feb. 1 this year as compared with 1,658,681 at Jan. 1, 1942. Among individual industries there was important expansion in iron and steel plants, textile, chemical, tobacco, electrical apparatus, non-ferrous metals and many others. On the other hand there were losses in rubber, food and beverage industries, the latter two being seasonal.

Payrolls Rise Faster

Payrolls have shown much greater increases than have number of employees in recent months, despite large numbers of inexperienced workers added to working forces, presumably at beginners' rates. Probably accounting for this divergence in trend has been:

1. Growing concentration of workers in the more highly paid "heavy" industries.
2. Payment of cost-of-living bonuses, often at increasing rates.
3. Extensive use of overtime work.

To a limited extent, recent increases in average weekly earnings may be due to the fact that during periods of seasonal contraction in employment, it is normally casual

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Canada Answers U. S. Writers

Lash Explodes Columnists' Non Co-operation Charges

By STAFF WRITER

OTTAWA.—The government took steps this week to scotch the gross misrepresentations of the U. S. columnists, Messrs. Allen and Pearson, whose canards about Canada-U. S. relations have been doing untold damage to this country and to the war effort of the United Nations.

Speaking over a national radio network, Herbert Lash, Director of Public Information bared the "complete untruthfulness of the charges of Allen and Pearson." He cited the record of events which lay behind the supposed refusal of the Canadian government to grant Northwest Airlines permission to use the new Canada-Alaska air bases. These facts were first disclosed by an article written for The Financial Post by Ronald A. Keith, editor, Canadian Aviation and published in The Post dated March 21.

Air Line Muddle

The story circulated by Drew and Pearson was to the effect that by refusing Northwest Airlines permission to use the new Canada-Alaska bases, the Canadian government was preventing the U. S. from moving men and military supplies to Alaska. The facts as stated by Mr. Lash are these:

"Civilian flying across international boundaries is covered by international agreement. This agreement provides that an application from a citizen of one country to fly in another, must go from the Civil Aeronautics authority of the country in which the applicant is resident to the appropriate authority in the other country. This application must be forwarded through established diplomatic channels. No such application from Northwest Airlines has ever been received in Canada.

"Despite this well-established procedure, without notice of any kind, a civilian plane of Northwest Airlines loaded with radio equipment and personnel appeared in Winnipeg. The company announced its intention of setting up radio facilities between Edmonton and Fairbanks and of establishing its own route. The use of radio equipment is even more closely regulated in Canada than is civilian flying, and no application had been made by Northwest Airlines, through our communications authority, for the allocation of wave length. Both circumstances were reported to Ottawa and the plane was very properly grounded at Edmonton pending investigation.

"This investigation proved that, without the Canadian government being aware of it, the United States Army Air Corps proposed to give a contract to Northwest Airlines to carry military personnel and supplies to Alaska. As soon as this became known, the Canadian government gave immediate consent on the explicit understanding that the service in question would be confined strictly to military transport.

"The reason for confining it strictly to military transport is that there is no necessity whatever for a new civil airline from the United States to Alaska. Two such lines, operating over Canadian territory, have been in existence for a number of years. Nor is there any need for anyone to set up new radio communications. The new airline from Edmonton to Alaska is modern in all respects. This line, built by the Canadian government, has been equipped with radio beams and radio telephone, and the Canadian government has always been willing to put all of these facilities at the disposal of the American government for military or other governmental purposes."

Alaska Highway Problem

The other "nasty piece of misinformation" spread by these columnists was the charge that Canada had been blocking action on the Alaska Highway.

Here again Mr. Lash outlined the facts:

"Until Feb. 13, neither the United States nor the Canadian government, had indicated, either officially or otherwise, any considered views as to the desirability of constructing a

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Taxes and Loans Top Peaks At $2.3 Billions in Year

By STAFF WRITER

OTTAWA. — Income and estate taxes, Victory loans and war savings certificates have taken $2.3 billions from the pockets of Canadians in the past 12 months, according to figures available at the close of the government's fiscal year.

Of this total, almost $1 billion came directly from individual taxpayers and investors. The rest came from corporations or non-residents.

The total subscribed by, or taxed away from, individuals may be broken down something like this:

	(Millions)
Individual income tax payments	$193
National Defense Tax (at source)	107
Succession Duties	7
First Victory Loan	280
Second Victory Loan	316
War Savings Certificates	84
Total	$987

Corporations contributed as follows:

	(Millions)
Corporation Taxes	$318
First Victory Loan (special names)	511
Second Victory Loan (special names)	432
Total	$1,261

In addition, the income tax department collected $28.3 millions from non-residents in the fiscal year just closed.

The all-time record payment of $652 millions to the federal income tax department represents a gain of $380 millions over the $272 millions collected in the previous fiscal year. This came from 1,250,000 taxpayers. Part of the increased returns were due to prepayment of taxes by monthly installments and partly to the fact that the last due date for individual tax payments was moved back one month to March 31, which brings these payments for the first time within the old fiscal year.

Hat News from **EATON'S**

New in our *Birkdale* Range!

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Light Weight! Crease Resisting!

Here is real hat news for the man who gives his hat lots of hard wear! Our new Birkdale "crusher" is the kind of hat you can stuff in a club bag, throw in the back seat of a car . . . or practically any of those thoughtless things a man does with his hat! But the "crusher" comes up smiling every time! Fine fur felt in feather weight with bound or raw edge snap brim. Colours are Air Force blue, Homer grey, light grey, Cowboy brown and Teakwood brown. Sizes 6⅝ to 7½. Each

6.50

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T. EATON C° LIMITED TORONTO CANADA

Canada Replies To U.S. Writers

(Continued from page 1)

highway to Alaska, although as far back as 1930, proposals to that end had been discussed.

"In 1930 as a result of representations from residents of Alaska, the Yukon, British Columbia and certain western states, both governments appointed commissions to study the proposals. These studies were carried out between 1930 and 1933, but neither government was sufficiently impressed by the findings of the commissions to take action.

"Between 1935 and 1938, there was occasional correspondence on the subject of a highway to Alaska, but it was not until 1938 that both governments again agreed to appoint new commissions to study the whole project once more. These commissions carried out extensive studies and they reported back to their respective governments (United States in 1940 and (Canada in 1941). The United States report favored construction of the highway; the Canadian report merely presented a statement of the relevant facts.

"In November, 1940, the permanent joint board on defense discussed the proposition from the strategic standpoint. This board, which is charged with planning North American defense, came to the conclusion that the construction of such a highway could not then be justified on military grounds. The service authorities in both countries concurred in this view and it was accepted by both governments. That, I repeat was in 1940.

"Nothing more was heard of the proposal until Feb. 13, 1942, when the United States government intimated through their minister in Ottawa, the changed situation in the Pacific made it desirable that a land connection with Alaska be constructed without delay. That very same day, weeks before Messrs. Allen and Pearson accused Canada of blocking the proposal, the Canadian government agreed the United States might begin initial surveys. The Canadian government, the very same day, agreed also to the American government's proposal that the whole matter be referred for advice to the permanent joint board on defense.

"The board debated the subject on Feb. 25 and 26. It recommended that the construction of the highway be undertaken. To this, the Canadian government gave formal consent on March 5. In the meantime, United States engineers were already engaged in preliminary surveys.

"These facts which lay bare the complete untruthfulness of the charges of Allen and Pearson were, as I have said, available to them, had they been sufficiently interested in the truth, to ask for them. The facts prove conclusively that far from holding up the United States proposal, the Canadian government agreed instantly to the carrying out of surveys, and exactly one week after receiving the recommendation of the Defense Board, the Canadian government approved the whole subject."

Obituaries

T. B. Macaulay, former president Sun Life Assurance Co. of Canada, died at his country estate and model farm, Hudson Heights, P.Q., at 81. His connection with the company covered a span of 65 years, which virtually paralleled history of the Sun Life to date. He rose rapidly through the years to become the top executive and chief directing influence in developing the Sun Life into one of the largest insurance companies in the world. Becoming successively actuary in 1880, secretary in 1889 and director in 1896, he was appointed managing director in 1906 and succeeded his father, the late Robertson Macaulay.

Claude B. Watt, at Toronto, aged 73, former advertising manager of General Motors Products of Canada Ltd., Oshawa, Ont.

E. I. Stedman, at Brantford, Ont., vice-president of Stedman Bros. Ltd., Toronto.

F. J. Blackburn, aged 79, at Toronto, vice-president W. G. Patrick & Co. Ltd., Toronto.

May Curb Joy Riding

(Continued from page 1)

steady travel between the two points week after week.

This type of traffic is particularly heavy the railways report.

It is pointed out that for the first time in years many workers have accumulated surplus earnings and that large numbers of people are taking advantage of their improved financial position to visit relatives and friends. This type of rail passenger is especially noticeable over the week ends and on excursions.

Still Below Record

Passenger traffic handled by the Canadian railways in 1941 measured in passenger miles at 3.187 billions was the highest since 1920. Canada has not yet reached the peak established in the last postwar period.

The effect of the war is seen in the statement issued by the government that the monthly peak in 1941 was reached in December. In prewar years the heaviest month was July or August. This indicates a steadily upward trend in traffic density.

Although passenger traffic was 48% heavier last year than in 1940 passenger train miles increased only 7.6% and passenger train car miles only 14.2%.

The latter figures indicate the railways handled nearly 50% more passenger traffic per train, but the average length of trip per passenger did not increase proportionately.

C.N.R. Carried More

A breakdown of the returns shows the Canadian National Railways last year carried 16,971,873 revenue passengers. This contrasted with 10,590,772 the years before, an increase of a little better than 60%.

In 1941 the Canadian Pacific carried 9,144,613 revenue passengers, as against 7,781,227 in 1940, a gain of about 17½%.

The wide discrepancy between the gains reported by the two railways can be explained largely by the heavy military and civilian passenger traffic movement on the Canadian National between Montreal and Halifax.

Number of revenue passengers carried one mile on the C.N.R., a figure of considerable importance in railway operations, shows an increase almost identical with the number carried. On the other hand, the C.P.R. reports an increase of 42% in the number of revenue passengers carried one mile, a comparatively much better showing than that by the government-owned system.

The average passenger journey on the Canadian National in 1941 was practically the same as in 1940 at 99.4 miles, whereas on the Canadian Pacific the average increased from 118.9 to 143.6 miles.

Nearing the Maximum

Government returns do not yet indicate that either the C.N.R. or the C.P.R. have established new passenger traffic peaks. On the other hand both lines cannot be far from capacity operations.

This is indicated in current operating revenues. During the first quarter of 1942 the two railways reported a gross income of $137.3 millions, or 24.6% greater than for 1941 and a new high for the period.

It is assumed that most of the increase was due to heavier freight handlings. Passenger traffic undoubtedly contributed to the increase. That means rail passenger facilities are employed to the maximum in more than one area.

The problem of rail passenger traffic is made weightier for the Transport Controller by the fact that this summer many people who ordinarily used their automobile during vacation will look to the railways to furnish transportation.

With no abatement in ordinary passenger traffic and this expected summer travel increase in prospect, it would appear rail travel may be discouraged through elimination of excursions, etc., if not by actual limitation.

The War and Business . . .

Canadian Ambassador to U. S.

Canada's Legation in Washington may be raised to the status of an Embassy before the war is out. The British precedent would be followed in two respects, if present discussions mature.

A member of the cabinet would be named ambassador, while remaining as a member of the war committee of the cabinet. A minister, selected from the "career" men in the Department of External Affairs, would also be named to Washington.

The present minister, Hon. Leighton G. McCarthy, is said to be willing to retire. He has served Canada there during a critical period.

* * *

Higher N. D. Tax?

Increase in the National Defense Tax may be on the cards, although all budget forecasts are hazardous things to make.

If the rate were increased to, say, 10 and 12% it is likely that some form of exemption of the first portion of the small earner's income would be provided for.

There are several ways this could be done. One would be to exempt the first $300 or so of taxable income from N.D.T. A simpler way might be to leave the basic rate where it is on all income up to $660 for unmarried persons and $1,200 for married persons, and apply the increase to all income over those levels. It will be noted, however, that the present N.D.T. provides that no tax shall be levied that reduces the income below $660 and $1,200 and this may in itself provide all the protection needed for these small incomes.

* * *

No Compulsory Saving

Any plan of compulsory savings for Canada seems far away, the success of the "small savers" appeal in the two Victory Loan campaigns assuring that.

Ottawa's view is believed to be that no feasible plan of compulsory savings would be likely to produce as much money as the Victory Loan campaigns are already diverting from payrolls and salary cheques.

Railway Congestion

Rumors of the possibility of a ban on pleasure travel on Canadian railroads, it is believed, are based largely on congested traffic on a few main lines only. It is generally known that traffic has been extraordinarily heavy on a few lines most used by the fighting forces but that elsewhere there is no particular problem. If any actual ban does develop it is believed it will not be general.

On most lines, The Financial Post is informed in reliable quarters the situation in regard to motive power and rolling stock is reasonably satisfactory and even since the new restrictions on gasoline, little real congestion has been reported.

Some weeks ago a railway authority informed The Post that most local trains in Canada could increase passenger loads by 25% without the addition of extra trains. Beyond that point, however, he was doubtful as it would mean additional rolling stock, engines, and crews, and there was little or no surplus available from which this could be drawn.

* * *

U. K. Investments Here

Recent estimates by government economists have brought to light the fact that British investments in Canada have nowhere near the market values put on them in the last published estimates of the Dominion Bureau of Statistics. These gave British investments a value of nearly $2,700 millions in 1937. Allowing for repatriations, this would still leave Britain with about $1,900 millions of capital invested in this country, against which the British government would owe the Canadian government $700 millions on war account.

Closer figuring puts the market value of British holdings of Canadian dollar securities of all kinds —provincial, municipal and corporation bonds, and preferred and common stocks—at about $700 millions. In addition, British investors hold about $300 millions of assorted sterling-pay securities. "Direct" investments — branch plants, land, etc.—are estimated at about $200 millions.

This represents a total reduction of about $700 millions from the DBS figures, some of which might be "recovered" in a postwar boom in security prices.

* * *

How Heavy is National Debt?

How heavy is our war debt? There are two ways of looking at it.

One is to take the total gross figures. On this basis our war debt is climbing rapidly. The national debt was $3.7 billions a year ago, since when two major Victory Loan campaigns have been held. A long war could put our national debt to, say, $10 billions. That is a big figure.

The second way to look at it is to figure the cost of "carrying" the debt. Interest rates are lower than after the last war; lower than the average rate paid on the national debt before this war.

At the bottom of the depression, interest on the national debt was consuming about 4% of the national income. This year it will probably consume not more than 2½% of the national income. We do not feel the present burden as greatly as we felt the burden between 1932 and 1936, for example.

There is another factor in the situation. The interest payments are made chiefly to Canadians and are heavily taxed by the income tax officials. The Dominion gets a substantial part of the interest back again. The average rate of interest, after taxes, is probably at the lowest point in Canadian history.

How burdensome our national debt will be after the war will depend less upon the size of the debt than upon the success we meet with in maintaining the national income. After the Napoleonic Wars it took about 8% of Britain's national income to "service" the national debt. By 1913 the figure was down to 1%; not so much because of debt reduction as because of the expansion in the national income.

We can carry our war debt easily enough after the war if we can maintain production and avoid great unemployment. If we run into a long period of world depression, the debt will bear heavily upon us.

Strong Defense Eases Tension At Coast

From Our Own Correspondent

VANCOUVER. — British Columbians appear happier about the defense situation on the Pacific coast as a result of the development of the past week or so.

Complacency will probably never return so long as war continues in the Pacific, but the feeling of anxiety about bombing and invasion attempts has lessened. There appears to be a growing sentiment that, with sufficient response to recruiting appeals for reserve military units, British Columbia would give a good account of itself even if invasion were attempted.

Jap Evacuation Speeded

One factor in improving civilian morale in this "strategic area" has been the expeditious handling of the Japanese evacuation from the coast, for which commendation is due Major Austin Taylor and his hard-working Security Commission. All Japanese in the coastal area have been either moved to interior points or congregated in the Vancouver district where they are under the control of police authorities. Many Japanese families have been temporarily housed at Hastings Park, Vancouver, and fears that the Canadian government might compromise on evacuation policy to the extent of leaving many of them there for the duration of the war have been allayed by the decision, just announced, to move all the Japanese from that place within a few weeks.

The policy of the government, as stated by federal ministers here, is to move all Japanese from the coast as soon as possible. Other provinces have offered co-operation in the way of absorbing Japanese as labor, thus solving a problem which a few weeks ago seemed almost insurmountable.

Stronger in Air

Defense Minister James Ralston and Air Minister Power were among the cabinet members who recently concluded a tour of the west coast, and they expressed themselves as well convinced that substantial improvement had been carried out.

"Our defenses on this coast will never be adequate in the sense that we will be satisfied with them," said Major Power. "On the whole there has been remarkable improvement. All stations on this coast have been immeasurably improved over what they were in 1940 both in defense and operation. There will be considerably more improvement in the near future.

"We are getting aircraft as fast as we can and we will get more. We will have immensely more aircraft in a very short time. Canadian aircraft is now being used in very great quantities and considerably more will be put into commission this summer."

Notwithstanding recognition of better defense facilities, the A.R.P. organization in Vancouver and other cities is gradually increasing in strength. A campaign to raise $225,000 for the A.R.P. is now in progress in Vancouver, sponsored by the Board of Trade. Air raid shelters are being established.

Labor Difficulty

On the other hand, Wartime Merchant Shipping, Ltd., and shipyard operators are reported having some difficulty in impressing on labor the urgency of the shipbuilding programme. Most of the trouble has been due to failure to work out agreements between the yards and the men that will be adhered to mutually.

As a result of the inability of both interests to get together most of the west coast shipyards were closed down tight on Good Friday. This was the result of a misunderstanding as to the terms laid down by Labor Minister Humphrey Mitchell when he was here a few days ago.

The yard operators maintained that the request of the federal government that work be continued on a seven-day week basis with only Labor Day and Christmas as holidays was in effect the lawful work schedule, and that double-time holiday wages should not be paid.

Labor unions, on the other hand, took the position that negotiations were still under discussion and that the men were still to work on the basis of the old agreement which called for double wages on Good Friday.

In one yard more than 1,000 men appeared at the yard on the morning of Good Friday only to be advised by union agents that since the companies would not pay double time they should return to their homes.

Formal Rationing Edges Closer

Orgy of Suit-buying May End Voluntary System

By STAFF WRITER

OTTAWA.—Pressure of events in the United States rather than an immediately urgent need in Canada is thought to be the most likely reason which will impel Canada to undertake full-fledged rationing of supplies.

So far, the worst buying orgy by Canadian consumers has been in woollen goods, especially men's suits. The March figures when they are available in a few weeks time will probably be away up in the clouds. February sales of men's clothing, released last week, show an increase of 26%, part of which is due to higher prices. The index for all retail sales in Canada is up by 18% compared with Feb., 1941.

Shoes and Candy Lead

Biggest jump in February sales was in shoes and candy. Both did a third more business than in the same month last year. Their sales were more than 90% greater than in Feb., 1939. By economic areas the variation in buying was very marked. Shoe sales in Quebec province were up 48.7%; in the Maritimes up 41.6%; in Ontario up 32.6%; in the Prairie Provinces up 21.6%; and in British Columbia 18.8%.

There is no doubt that Canadians are enjoying a buying spree compared with 1939 but how far this is in line with increased war purchasing power and how far it is "hoarding" is not clearly evident. In February, the general index of retail sales was 54% higher than in Feb., 1939. In all probability this represented a much greater increase than the corresponding rise in national income.

Sugar Plan Works

Success of the sugar rationing plan on a voluntary basis indicates that Canadians are ready to respond to an organized appeal and that such appeals are more readily put across here than in the United States. Though pressure of short supply in the case of sugar, wool and other necessaries of life will make compulsory rationing inevitable sooner or later it was hoped that this country might avoid a complicated system of compulsory rationing for a considerable time so long as supplies were carefully husbanded and other forms of conservation thoroughly used. The rapidity with which the United States is approaching a nation-wide ration system suggests that Canada will not lag far behind.

A short time ago, the rationing problem in Canada was turned over to a full-time specialist who is charged with producing a rationing "plan" for the Wartime Prices and Trade Board, if, as and when required. Preliminary studies in this direction were made by the old Prices Board last summer.

At that time it was believed that a full-fledged ration programme would cost between $12 and $18 millions to set up and administer for the first commodity, with a much lower cost proportionately for additional items. Since then the setting up of regional offices and other machinery for administration of the price ceiling has paved the way for any scheme that may ultimately be introduced.

One-man Trams For Vancouver

From Our Own Correspondent

VANCOUVER. — B.C. Electric Railway (B.C. Power) won an important decision from the British Columbia public utilities board when permission was granted to purchase and use 20 one-man street cars to relieve traffic congestion in the Vancouver area.

Labor interests had opposed the use of one-man cars in Vancouver, although the company has operated several in city lines for several years.

Chairman W. A. Carrothers said the public utilities board had made exhaustive enquiries in the United States and was satisfied that the one-man cars would meet public requirements.

The Vancouver city council has opposed the use of more one-man cars, but it is reported unlikely to appeal the decision.

Investment Notes

Abitibi Power & Paper is going back to the Ontario Court of Appeals. The liquidator made an application for leave to carry an appeal against the recent Ontario court judgment to the Privy Council and the application is to be heard by the whole Court of Appeals on April 10, following a hearing before Chief Justice R. S. Robertson.

* * *

Montreal Stock Exchange has approved for listing 12,500 additional shares of cumulative preferred stock 5% series of Distillers Corporation-Seagrams Ltd. on official notice of issue. This block of stock is involved in a deal whereby Distillers acquire all the capital stock of British Columbia Distillery Co., and Amherst Distillers Ltd., from Distillers Corp. Ltd.

* * *

Volume of trading on the Montreal Stock Exchange and the Montreal Curb Market reported a slight advance during March, total share turnover being the highest since the beginning of the year. Industrial and mining volume combined amounted to 317,937 shares. This compared with 274,927 shares in Feb., 378,178 shares in March last year.

* * *

Aluminum Co. of Canada has let contracts for 250 houses to be built at Arvida to J. L. E. Price and Co. Montreal. The project is to cost $1.1 million and orders are now being placed for materials.

* * *

Revenue passengers carried by Montreal Tramways Co. for the first quarter of 1942 showed an increase of 17.82% when compared with the like quarter of 1941. Total passengers carried were 76,520,101 compared with 64,925,729 in the first three months of 1941.

This was a continuation of the upward trend shown in recent months when compared with the previous year, although the latest increase was slightly under that reported for the final quarter of 1941 when the gain shown was 19.94%, over the like period of 1940.

* * *

Holt Renfrew & Co. shareholders have appointed the following directors: L. G. Adjutor Amyot, Quebec City; George B. Foster and R. Howard Webster, Montreal; and Henry Borden, of Toronto and Ottawa. These four take the places of Sir Herbert Holt, Hon. D. O. L'Esperance, Hon. C. Webster and R. B. Lindsay, all of whom died in the past year.

* * *

Canadian Industries Ltd. has let a contract valued at $21,000 covering extensions to its Montreal fertilizer warehouse.

* * *

Hinde & Dauch Paper Co. reports continued high demand for its products in the first quarter of 1942 with mill production again reaching new highs. Some decline in orders is now being experienced from industries whose activities have been curtailed and further reduction from this source is expected. So far such tonnage losses have been fully offset by increased war requirements for both domestic and export markets. Further demands on the paperboard industry for packages hitherto made from tin is expected and the company's facilities should be fully employed throughout the year. Major difficulty continues to be shortage of waste papers of which the company is the country's largest consumer. Higher costs are resulting from necessity of going farther afield and absorbing extra freight. These added costs have to be fitted under the company's price ceiling, fixed at June, 1940.

* * *

Power Corp. of Canada's Controlled and affiliated companies report a power output in February of 227.5 million kw.h. This compares with 195.7 million kw.h. for the like month last year, an increase of 16.25%.

Comparative figures are as follows:

	1942 kw.h.	1941 kw.h.
Southern Canada	18,846,558	16,758,280
Canada Northern	50,184,574	58,190,054
East Kootenay	9,989,312	6,602,720
B. C. Power	61,531,915	55,580,307
Northern B. C. Pwr.	1,416,884	1,049,076
Winnipeg Electric	85,521,000	57,506,600
Total kw.h.	227,450,243	195,687,037

* * *

Canadian Foreign Investment Corp. which controls the Brazilian Portland Cement, continues to retire preferred stock. The company advises the Montreal Stock Exchange that 99 shares have been redeemed and cancelled, of which 68 are part of a call of 1,000 shares authorized last October and 31 otherwise purchased for redemption. The number of preferred shares now outstanding is 6,867.

* * *

Progress of Dominion Stores Ltd. in 1941 will be continued in 1942 it is hoped although the future is somewhat obscure, J. William Horsey, president, told shareholders at the annual meeting. Provision for income and excess profits taxes of $130,806 had been made but an application to have standard profits computed on the basis of capital employed rather than on earnings during the base period has been made. Grounds for this were that the company made no profit during three of the four standard years. No decision has yet been rendered on this tax application.

* * *

Industrial Acceptance Corp. action on the common dividend, ordinarily due Mar. 31, has been deferred by the directors, in view of existing conditions. The 1941 annual statement will show net results for 1941 a little better than 1940, it is believed, but the feeling is that cash resources should be conserved in the face of government restrictions on installment sales, and on the production of merchandise the purchase of which the company finances.

The regular quarterly dividend of $1.25 per share on the preferred stock has been declared, payable Mar. 31, 1942, to shareholders of record Mar. 24.

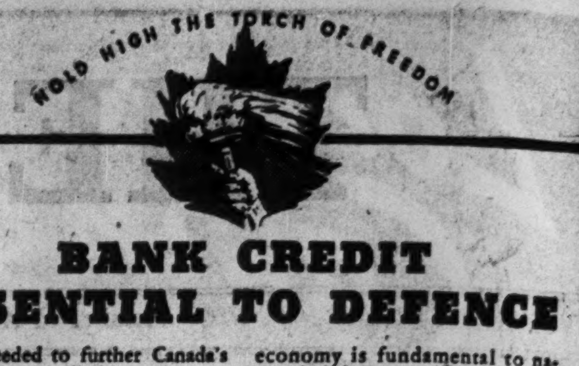
* * *

Stanley Realty Corp. bondholders have approved a reorganization plan. Under the proposal a $100,000 real estate mortgage on the garage property in Montreal is to be created and first mortgage bondholders will get a 6% income debenture to the extent of 25% of the principal of their bonds which are many years in arrears. General mortgage bondholders will receive 10% in cash in payment of their claims. There are $378,500 first mortgage bonds outstanding and $51,000 second mortgage. The garage realized small operating profits in 1940 and 1941 after taxes. The cash from the new mortgage is to cover $56,775 in past taxes, various creditors' claims and leave $15,000 as working capital.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Treasury Bills	Mar.			July 3, '42	$45,000,000	99.860	.550%
Canada Second Victory Loan	Mar.		1½% 2¼% 3%	1944 1948 1954	993,884,350		
Municipal—							
Joliette, P.Q.	Mar.	Dominion Securities	4% 4%	1943-62 1943-57	35,400 23,500	101.51	



BANK CREDIT ESSENTIAL TO DEFENCE

Loans needed to further Canada's war efforts naturally have priority at the Bank at this time. However, commercial credits for normal constructive purposes are being supplied as usual.

The maintenance of a sound, smoothly functioning, normal-times economy is fundamental to national defence—and banking service has an important part in such maintenance.

No matter what your line of business, you are invited to discuss your financing problems with the manager of our nearest branch.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*

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Patent Fight Ends in U. S.— Reveals Canadian Parallels

By STAFF WRITER

OTTAWA. — Announcement this week from Washington that Standard Oil of N.J. has agreed to make available to Canada the synthetic rubber patents released recently by the U. S. government, has roused interest and speculation as to the position of patents (especially those originating with enemy aliens) in time of war. Many of the Standard patents were those originating with the famous German dye trust (I. G. Farbenindustrie A. G.) the company which first developed Buna synthetic rubber.

According to an emergency order-in-council covering patents, designs, copyright and trademarks in Canada in time of war, no patents issued to an enemy alien may be "delivered" so long as the emergency exists. Patents continue to be issued in the regular way, but if the patentee is an enemy alien or resides in an enemy country he cannot obtain delivery of the patent deed or the certificate of registration.

For example, the current edition of Canada's weekly patent list, The Canadian Patent Office Record, discloses three patents issued during the week of March 31, 1942, to German inventors and two in the same week issued to Italian inventors These five patents are all duly registered now in Canada, but deed and registration will be withheld from the inventors until after the war. In each case these patent claims had been filed prior to outbreak of war.

Reference to earlier Canadian patent lists discloses that under Canadian patent No. 396,437, the I. G. Farbenindustries A. G. was granted a patent covering the manufacture of artificial rubber from polymerization of butadienes.

One further regulation bearing on use of enemy alien patents in Canada in time of war gives permission to responsible Canadian firms or individuals to manufacture articles covered by alien patents on condition they pay the royalties for such manufacture over to the Custodian of Enemy Property.

Pulpwood Dealers Warned of Order

From Our Own Correspondent

MONTREAL.—Pulpwood dealers have had their attention drawn by the Wartime Prices and Trade Board to the Board's order of last January which ruled that pulpwood contracts in any province east of Alberta must be governed by Timber Administrator A. S. Nicholson.

Under this order, which many dealers have not observed, the terms of every agreement or commitment for the sale, supply or delivery of pulpwood in any part of Canada east of Alberta, made on and after Dec. 1, 1941, must be submitted to the Timber Administrator and approved by him before the contract or commitment becomes valid and binding.

Soo Line Earnings Show Better Trend

Wartime traffic in the United States is reflected in returns of the Minneapolis, St. Paul and Sault Ste. Marie Railway Co., in which the Canadian Pacific has a substantial interest. For February there was a net profit, after charges, $67,493, compared with a net loss for the like month last year of $88,245.

For the first two months of the current year there was a net profit of $92,262, against net loss of $161,010 for the same period in 1941.

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Fewer Workers In February

(Continued from page 1)

workers at lower pay rates who are laid off first.

Comparative trends of employment and average earnings follow:

All Industries
(June 1, 1941=100)

1941:	Employment	Aggregate payrolls	Per Capita earnings
June 1	100.0	100.0	$25.25
July 1	102.9	103.9	25.49
Aug. 1	105.0	106.9	25.69
Sept. 1	106.4	109.8	26.04
Oct. 1	108.4	113.3	26.37
Nov. 1	109.6	117.3	27.02
Dec. 1	110.4	119.5	27.32
1942:			
Jan.	108.4	112.3	26.13
Feb. 1	108.2	118.5	27.66

One industry in Canada, the seven establishments making heavy electrical apparatus, provides the D.B.S. with data to compute an index of average hourly earnings of employees. Taking average hourly earnings paid at June 1 for services rendered in the last week of May as 100, this index shows a rise of 17.5 in the period from April 1 last year, starting at 97.5 for April 1, 1941, and rising without interruption to a peak of 118.5 at Dec. 1, following which there has been a decline to 115.0 at Feb. 1 this year.

For industries the range at Feb. 1 was from a high of $39.49 a week for mining in Ontario to a low of $15.10 a week for logging in Quebec. For major cities, Windsor, Ont., sets the pace with $39.57 and Quebec City tags along at the rear with $22.36 weekly.

How major industrial groups, provinces and eight leading cities compared at Feb. 1 follows:

Employment and Earnings at Feb. 1, 1942

	Employees No.	Agg. Weekly —earnings— $000	Ave. $
Provinces			
Maritimes	133,762	3,233	24.17
P. E. I.	2,235	45	20.16
N. S.	81,629	2,006	24.58
N. B.	49,898	1,182	23.68
Quebec	[illegible]	13,142	25.49
Ontario	702,213	20,634	29.34
Prairies	171,507	4,874	28.42
Manitoba	80,885	2,294	28.37
Sask.	30,425	834	27.40
Alta.	60,197	1,746	29.00
Brit. Columbia	129,899	3,863	29.74
Canada	1,653,942	45,746	27.66
Cities			
Montreal	235,441	6,291	26.72
Quebec	27,243	609	22.36
Toronto	219,648	6,372	29.01
Ottawa	22,500	555	24.66
Hamilton	59,167	1,811	30.61
Windsor	34,195	1,353	39.57
Winnipeg	52,765	1,411	26.75
Vancouver	[illegible]	1,736	29.05
Industries			
Manufacturing	994,932	28,238	28.38
Durable	510,612	15,959	31.25
Non-durable	466,528	11,667	25.01
Elec. light	17,792	612	34.37
Logging	79,272	1,390	17.54
Mining	82,632	2,986	36.13
Communications	26,763	737	27.55
Transportation	123,763	4,285	34.62
Construction	148,439	3,684	24.82
Services	37,217	628	16.87
Trade	160,905	3,798	23.61
8 Industries	1,653,942	45,746	27.66

Work Hours Revamped

(Continued from page 1)

gered hours. This figure does not include the attendance at a number of schools which have adjusted their hours so as to avoid the traffic peak in the morning.

Affect 15,000 Torontonians

Nearly 15,000 workers in Toronto have changed their hours of work. They include employees of Ontario Hydro Power Commission, Toronto Transportation Commission, Simpson's, Eaton's and Toronto Hydro Commission. It is understood further that several other large firms in the area are about to adopt staggered hours.

Some staggering of hours has taken place in Winnipeg, Windsor, Peterborough and Saint John.

Vancouver reports arrangements have been completed for putting the plan into operation at that point.

London Calling

by Adelphi

LONDON.—Spring has nearly come to England. We had begun to think that it had disappeared or missed us in the blackout but suddenly it arrived. We hope that it will stay for a while despite the warlike implications that must come with it, but few of us would like to live through another sunless, bitter winter like the one that has apparently ended.

Despite the fact that we have had no air raids for a long time, life in these beloved islands is becoming increasingly grim. After June there will be no private motoring or motor-cycling. As trains have been cut down to the minimum, railway travel will be a thing of acute discomfort. Wines are practically unprocurable, soap is heavily rationed, and we are to take in our belts still more in regard to food. Newspapers have had another cut in size and dog racing, which is the popular sport of the masses, can take place only once a week.

England will be no pleasure resort this summer.

* * *

A Winston Worry

Mr. Churchill has many worries and his son Randolph is certainly one of them. The young Major is not content to have come home on leave from Egypt, but insists on going about the country making violent speeches against his father's critics. His most recent outburst was aimed at Lord Chatfield who was First Sea Lord at the time of Munich.

Randolph went beyond accuracy in some of his denunciations and Chatfield scored heavily by a short but dignified letter to the Times. Even the young man's critics, who are great in number, realize that there is something to be said for a son defending his father, but it is tough on the father if he happens to be Prime Minister and if the son happens to be Randolph.

* * *

Beauty Business Diplomacy

There is much plain speaking in England just now, but it took the manageress of an Elizabeth Arden beauty shop to show how to be both firm and courteous. The incident involves Viscount Kano and his wife.

Kano was the former Manager of the Yokohama Specie Bank in London and remained at liberty here after Japan entered the war. The day following the exposure of the Hong Kong atrocities, a story which so cruelly concerns Canada, a Daily Express reporter interviewed the Japanese Viscount; "I am glad that Japan is doing well and I do not believe Mr. Eden's statement," said the little oriental banker.

That afternoon Madame Kano entered an Elizabeth Arden shop for a "facial" or some such affair. The manageress took her into her private office and addressed her as follows:

"I have something very painful to say. Yesterday your husband in an interview said he was glad that his native country of Japan was doing well and that he did not believe Mr. Eden's statement about the atrocities.

"In view of this I cannot ask any girl in my service to do your face. I am very sorry to have to say this, but I must ask you to go. I hope in saying what I felt I had to say I have used more courtesy and decency than your people have shown to British women in Hong Kong."

So Madame Kano left. But that is not the end of the story. At the same time as this was going on, the police called on the Viscount and now he is interned. Thus the husband lost his liberty and his wife her "facial" which shows what can happen when a Daily Express reporter gets down to his job.

* * *

Big Post Waiting

The movement and the future of General McNaughton still continue to interest the political experts. Ever since Beverley Baxter suggested him in the House of Commons as one of the "Big Five" to run the war he has been a much discussed political personality. His return to Canada and his visit to Washington have now revived the feeling that when he comes back here he may be offered some outstanding post by the British Government.

It would be an immensely popular move. The General is not really known to the British people, but they like the sound of him. They think the combination of soldier and scientist is just what we need and there is still magic in the prefix "Mac." At any rate they are talking a lot about him at Westminster.

* * *

Effort Big—Publicity Bad

Another Canadian who interests England more and more is Mr. Mackenzie King. We are beginning to realize that Canada's war effort is as big as her publicity is bad. Even that stupendous gift of a billion dollars sort of leaked out gradually instead of being the theme of a great speech and a great gesture.

But the immensity of Canada's output of war materials—a remarkable achievement—her vigorous financial administration and the magnificent young men she has sent across here are all having their effect on public opinion. Mr. Mackenzie King is truly a mystery—and the nation that produced Sherlock Holmes and Edgar Wallace loves a mystery.

* * *

Another Mystery Man

Anthony Eden is coming into the picture. Here too is a mystery man. He has everything that should bring him to the summit —personality, courage, charm, good looks and "projectability." But he does not quite get there. I can reveal that when the Government was remodelled there was a very strong move to make Eden Leader of the House but he was passed over for Cripps. Now with Cripps assigned to the India Problem, Eden gets the leadership at least temporarily. This is his big chance. He will at least have the chance of showing his paces as a future Prime Minister. If the fates are good to him and he does well, then his star will shine bright in the political heavens.

The possibility of a Cripps-Eden Government at some future date is not out of the question. Eden has a great public following although the Conservative Party is only lukewarm about him. But then the Conservative Party in any country has never shown any particular genius in picking winners.

This week, The Financial Post asks

What Further Sacrifices Can Consumers Make in the Interest Of an All-Out War Effort?

Chas. R. Allen

Managing Editor, The Observer, Hartland, N.B.

Canadian consumers will make any sacrifice demanded of them for the successful prosecution of the war. The rank and file of the Canadian people are willing and anxious to do all possible, but are crying out for efficient leadership and direction.

Thousands of small wage earners and farmers, who are paying national defense tax cheerfully and purchasing war savings certificates and stamps systematically, are indignant over large scale waste and needless expenditures such as the army training and the forthcoming plebiscite.

The government should take the lead in practising economy.

* * *

Herb Braund,

Managing editor, technical newspapers division, MacLean Publishing Co. Ltd.

Canadian consumers might well ask themselves if they could not purchase twice as many War Savings Certificates and Victory Bonds and cut down their total purchases of luxuries and semi-necessities correspondingly. Just where they will cut down will largely depend upon themselves and their individual circumstances.

In some cases it may mean giving up a weekly show, or an expensive holiday. It may mean going without meat for two days a week, or curtailing the use of fuel now and next winter.

Practically every Canadian knows that if he or she had to, there are a dozen different ways by which ordinary purchases could be reduced and the money thus saved would enable most of us to double our purchases of war certificates and bonds.

* * *

Dr. W. E. Blatz

Professor of Psychology, and Director of the Institute of Child Study, University of Toronto.

You asked me what further sacrifices Canadians can make for an all-out war effort. The first consideration is to convince us that we should have an all-out effort. If this were done in a sincere and efficient way then no further legislation would be necessary.

Surely Canadians do not need to be forced to make sacrifices! We would be willing to make sacrifices to the extreme limit as some have done to the death, but in order to do so we must feel that the sacrifice is equally distributed. We will cut down on clothes, food, travel, liquor and expensive recreation, but the last sacrifice we will willingly make is our children. They must be the last to suffer.

* * *

Morley H. Collins

Editor, Daily Graphic, Portage la Prairie, Man.

Canadian consumers, besides following to a letter the rationing which up to this time has only been asked of them, will well serve their country in its war effort by insisting that wastage, be it in their own households, business or the actual maintenance of the armed forces, shall be controlled with an iron hand.

It has been our opinion from a prolonged survey and personal observation that undue waste exists which the sincere-minded heartily deplore in the war effort. Cannot the consumers insist that wastage must halt, if needs be by the appointment of a government department for that express purpose?

Consumers in our part of Canada feel they have been so far asked for no extreme sacrifices. They are perfectly satisfied that they can make many more when and at such time as they may be asked.

* * *

C. H. Hale

Editor, Packet and Times, Orillia, Ont.

I would suggest that the public be further educated to diminish or forego luxuries and doodads and invest in war savings and that restrictions be placed on the fearful waste of money and man power in liquor, which would add materially to efficiency both in industry and in the armed forces.

Apart from these obvious opportunities for aiding the war effort, it seems to me leadership must come from those who know the conditions as to materials and war needs, and I feel sure that the public will acquiesce in any such measures.

* * *

T. R. Osborn

Editor, The News, Medicine Hat, Alta.

Further sacrifice which Canadian consumers can make is to cheerfully accept and realize that all-out war effort means what it says—and takes a standard of living lowered to the point necessary to ensure the fullest possible participation in the war.

* * *

Sigmund Samuel

Of Toronto and London, England, president Samuel Son & Co., Toronto, metal importers; historian and collector.

In this crucial hour for Canada rich as she is in men and materials, when fullest effort to secure victory is our greatest object, as a preliminary essential all party lines must be obliterated and the best and ablest men given control.

The formation of a national government should be undertaken forthwith. This should do much to stimulate all our people irrespective of racial origin. For this I am sure they will make every sacrifice.

* * *

Hon. H. H. Stevens

Of Vancouver, B.C., former Minister of Trade and Commerce in Meighen and Bennett governments, and prominent in British Columbia Conservative circles.

The people of Canada have demonstrated their anxiety to contribute to the utmost in an all-out war effort. Technical and engineering staffs and workers in industry have also achieved notable results.

There is one weak spot in Canada's war effort—namely, a lack of inspirational leadership. Wars are not won by armed forces alone but require idealistic motives. These motives become effective only when advocated by great leaders. Canada has been singularly lacking in any such inspirational leadership, which leaves the average citizen in a condition of mental uncertainty and doubt.

* * *

J. S. Woodward

Editor, Phoenix, Saskatoon, Sask.

Saskatchewan consumers with a minimum of war orders and a reduced standard of living for the past decade are not in the best position to visualize further sacrifices which should be made by Canadians generally. I suggest that if every Canadian willingly and cheerfully complies with the letter and spirit of Donald Gordon's orders and requests, the picture of what consumers could and should do would be more readily ascertainable.

This country must get down to minimum physical requirements by wholesale rationing if necessary. But such requirements should be intelligently established. This if only to keep up morale. But we are apparently a long way from that basis—much too far away. Haphazard stabs at individual curtailments do not seem to meet the case.

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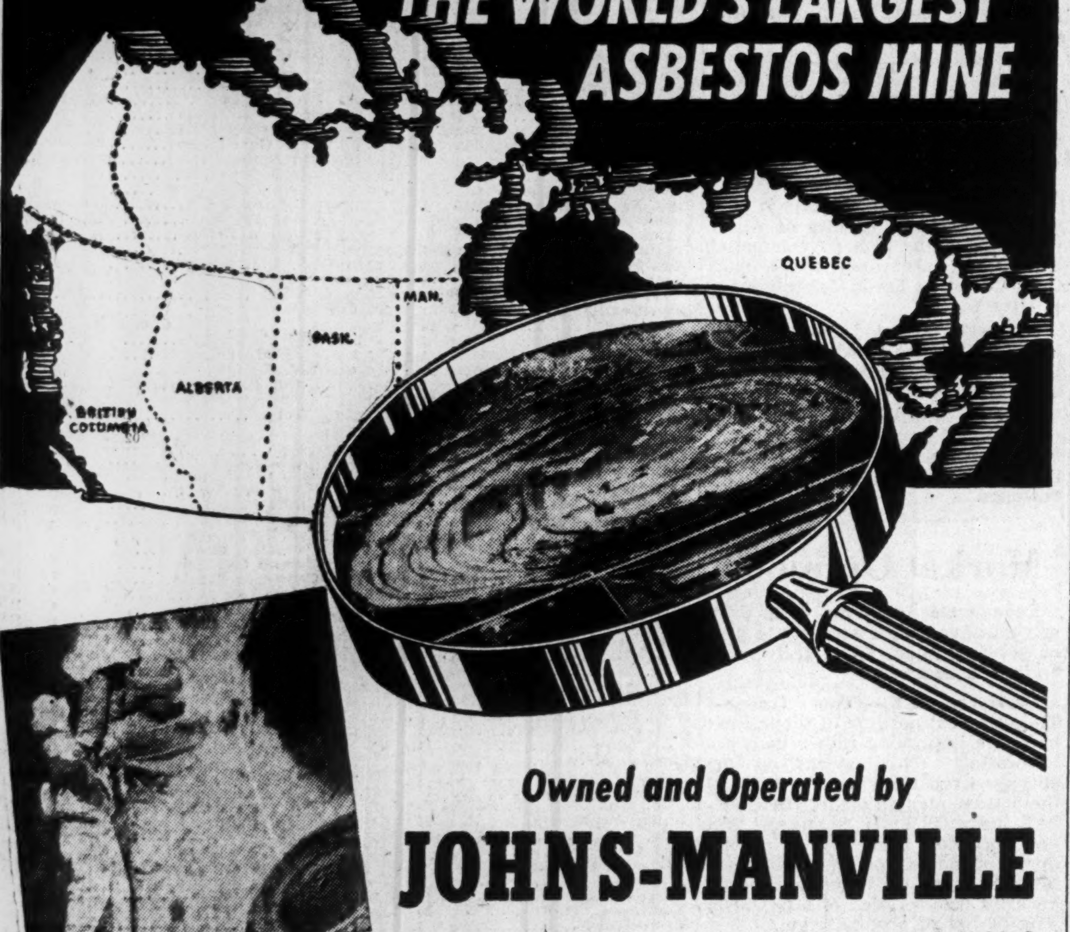

● Spectacular war service is rendered by J-M asbestos clothing, as shown in this "shot" from the movie, "Ships with Wings". Not so spectacular, but vital, are such products as J-M Asbestos Packings, without which the wheels of Canadian industry would come to a jarring stop.

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Quebec Adopts New Fiscal Plan

From Our Own Correspondent

MONTREAL.—No new taxes will be imposed by the Province of Quebec this year, according to Hon. J. Arthur Mathewson, K.C., Provincial Treasurer, when he brought down his budget in the Provincial House. There will be no borrowing this year nor until after the war. The province is now on a cash basis and intends to pay its way out of revenue.

Taxes remitted are personal income tax; tax on profits of the corporation; automobile registration tax on unused cars and tolls on bridges.

Amount of revenue lost to the province by ceding of these sources of revenue, such as income tax, etc., plus anticipated loss from gasoline tax because of rationing, is being made up by the Dominion government. There is no reference in Mr. Mathewson's budget speech to the $32 millions to come from Ottawa and revenue estimates for gasoline and on corporations are given as if there were no such agreement with Ottawa.

Revenue for the year to end March 31, 1943, is placed at $89.6 millions and expenditures, ordinary and capital, $89.2 millions, surplus of $400,000.

Higher budgets for year ending March 31, 1942 than forecast and for the year beginning April 1, 1942 are due to three factors: revenue increase; readjustment of inter-departmental accounts; increase in expenditures—such as for education, $3.3 millions, $914,000 for needy mothers and old age pensions, cost of living bonus $1.2 millions and larger provision for sinking fund purposes $1 million.

And So We *Increased* Our Own Taxes!

THE BOARD OF TRADE RECOMMENDED WE PAY TAXES FROM WHICH WE ARE LEGALLY EXEMPT; WE AGREED IT WAS GOOD ADVICE

The T.T.C. Chain of Triple Responsibility

As a Result, the City of Toronto Gained $70,000 in Taxes

● In April, 1941, the Toronto Board of Trade submitted a report in which it stated:

"If the Toronto Transportation Commission pays taxes on land, buildings and business assessment, it will no longer be subject to the criticism that it is in any way in a preferred position as to taxation, and it will be possible to correctly assess the efficiency and good economy of a street railway service that meets the regular share of municipal tax costs."

The T.T.C. was in full accord with the conclusion reached by the Toronto Board of Trade, and has since been working to make it a reality. Now that our financial position permits, the T.T.C. will pay an additional $70,000 into the city treasury. Toronto's tax situation will benefit accordingly.

Keeping its financial structure in good condition and fully meeting its obligations is, however, only one phase of Public Utility responsibility. In these hectic days, transportation difficulties, always a problem in a growing city, are intensified. Inconveniences are at times unavoidable. But continued co-operation on the part of street-car riders and employers who have arranged to "stagger" working hours, supplemented by other careful planning, will see us through.

TORONTO TRANSPORTATION COMMISSION

How Efficient is Our Aircraft Industry?

Here Are Some Facts of Its Production Position

By RONALD A. KEITH
Editor, Canadian Aviation

What is the "efficiency" situation in Canada's airplane industry?

The industry and the Royal Canadian Air Force headquarters have been targets for some criticism in two vigorous editorials appearing recently in a Toronto morning newspaper.

In Montreal, the International Association of Machinists, Aircraft Lodge 712, has announced its intention of sending a delegation to Ottawa with the protest that "serious obstacles keep Canadian airplane production far below possible levels."

These allegations place the government and the manufacturers in an awkward position. They are correct to the extent that there still is idleness in aircraft plants. But the industry's leaders maintain that this situation is the "hangover" from the relative chaos which prevailed six and eight months ago.

Sound For First Time

The writer recently made a tour of the eastern aircraft plants and discussed the production problem with the manufacturers. Their view was this: For the first time in its rough-and-tumble history, the business of plane production in Canada is on really sound basis.

Without exception, the manufacturers maintain that long-range orders, now amounting to a $500 millions backlog, have at last given the industry some real meat to chew on in the place of crusts and crumbs.

It is impossible, they claim, to build an assembly line on the basis of orders that dribble out in the amount of three, six or a dozen aircraft at a time. They credit Ralph Bell, Director-General of Aircraft Production, with relentlessly insisting on a fully-rounded specific production programme with a limited number of types and an almost unlimited horizon of orders.

Must Have Quantity

The production experts argue that without at least one year's uninterrupted manufacture in prospect, a factory simply can't be organized for efficient output. Production, they say, is planning. Planning means placing quantity orders for materials, subcontracted components and accessories 12 to 18 months ahead of the required delivery dates.

If the programme has been stabilized, and it has, why then is there idleness in plane plants? Chiefly, aircraft manufacturers aver, because the long-range planning has not yet started to show its effects.

It is probably true, as asserted by the Aircraft Lodge delegation, that the industry should be on a 24 hours a day basis. But until sufficient delivery of such vital accessories as flight instruments, fuel pumps, propellers, hydraulic systems and subcontracted components can be assured, there is, in the opinion of aircraft builders, no sense in speeding aircraft into a jam on the final assembly line or a pile-up on the test field.

Nine Types—10,000 Ships

Every one of the manufacturers now is booked up to the end of 1943, with some looking ahead to 1944 and 1945. Production is concentrating on nine types, adding up to some 10,000 aircraft. The types are these:

Elementary trainer, Fairchild Cornell, by Fleet Aircraft Ltd.

Advanced trainer (single engine) North American Harvard, by Noorduyn Aviation Ltd.;

Advanced trainer (twin-engined) Avro Anson, by Federal Aircraft and six manufacturers.

Fighter-bomber, Bristol Bolingbroke, by Fairchild Aircraft Ltd.

Reconnaissance amphibian, Consolidated Catalina, by Boeing Aircraft of Canada in Vancouver, and Canadian Vickers Ltd. in Montreal.

Twin-engined fighter, (Secret), by The de Havilland Aircraft of Canada Ltd.

Four-engined bomber (Secret), by National Steel Car Corp. Ltd., Malton.

Dive-bomber, Curtiss SB2C-1, by Canadian Car & Foundry Co. Ltd., Fort William.

American deck fighter (not announced), scheduled for Canadian Vickers, Montreal.

"Three-front" Attack

The newspaper's editorial referred to, centres its attack on three points: Federal Aircraft's Anson production; an alleged "Col. Blimp" complex in certain quarters of the Jackson Building (R.C.A.F. headquarters in Ottawa); and a consequent tie-up in the training programme through shortages of spares, amounting to "a national disgrace."

An apparently irreconcilable contradiction on a matter of fact has come out of the newspaper's charge and Hon. C. D. Howe's answer. The newspaper, in its second editorial on the subject, says this:

"The Minister of Munitions and Supply is . . . reported as saying that 'Federal Aircraft is turning out 150 planes a month, although it was organized to produce only 100' . . . According to official documents, the production of the entire aircraft industry of Canada since its inception is only 304 Anson II's, the type of planes Mr. Howe appears to be talking about.

"Information from the same source shows that the peak month was January, 1942, when 95 Anson II's were produced. In February of this year, the output fell to 60, and for the first three weeks of March, 55 were turned out."

According to our information, the newspaper's statistics cannot be successfully disputed. Up to Friday night, March 27, 1942, 345 Anson II's had been manufactured in Canada.

The respective plant figures are as follows: National Steel Car Corp., 85; Canadian Car & Foundry Co., 72; The de Havilland Aircraft Company, 128; Ottawa Car, 15; and MacDonald Bros. Aircraft, 45.

The impression given by Mr. Howe's statement might be misleading, but for the week ended Saturday, March 28, when 41 Ansons were delivered, he would be correct in saying that the type was being produced at the rate of 150 a month.

No Great Record

Federal Aircraft's total deliveries of 345 planes to the end of March 1942 do not compare very favorably with the hopes expressed by H. R. MacMillan in his February 1941 report after surveying the aircraft industry at that time. Referring to Anson production, he said then:

"Production might . . . reach only 200 to 300 in 1941, but if carefully reorganized at several key points and if time lost by failure of subcontractors can be recaptured, 1941 production might be doubled and production January to March 1942 might be 300 to 400, or a total of 800 or 900 by March 31, 1942."

The consensus of responsible leaders in the aircraft industry seems to be that Federal is now doing a reasonably good job under the circumstances and that little would be gained by disturbing the setup at this time. If there were to be drastic reorganization, it should have come eight months or a year ago, they declare.

Not Delaying Training

It is said that delayed Anson production is not interfering with the Air Training Plan. As a matter of fact, at the time of this writing, some of the Ansons coming out of the factories are going into temporary storage. The situation was saved, of course, by substantial deliveries of twin-engined trainers from the United States.

On the second and third points, i.e. "Col. Blimp" attitude in "the Penguin's roost" (Jackson Building), and lag in air training through delay in providing spares for trainers, here is the actual situation:

The criticism would have been sound a few months ago, particularly in reference to inefficiency in the ordering, storing and distribution of spare parts for overhaul. Before the editorial appeared, however, a drastic shake-up had been effected, with the result that the organization of R.C.A.F. supply depots is said to be rapidly assuming a much more efficient character.

More Co-ordination

One of the most important changes, aside from a personnel shift at Ottawa, was the centralization of parts storage as near as possible to the factory producing the respective spares, and a new policy of close co-ordination directly with the manufacturers.

Now, the manufacturer making Harvard spares, for example, has a liaison man from his own factory placed in the supply depot handling those spares. This man can keep a close check on the supplies and can advise his plant in advance when certain spares are running low.

Instead of waiting for months of "paper work" in Ottawa before being authorized to manufacture any given spare part, the manufacturer can now produce to maintain the required level of all spares, leaving the red tape until someone can get around to it.

Meantime, the suggestion that spares shortage is seriously handicapping the air training programme is denied and it is claimed that there is no shortage of training aircraft to meet the requirements.

PROMOTION MANAGER

Merle M. Schneckenburger, Montreal, has been appointed sales promotion manager for Distillers Corp.-Seagrams Ltd. He was formerly with The Herald Press Ltd.

Montreal Tramways Traffic Reaches Peak

From Our Own Correspondent

MONTREAL. — Directly reflecting the activity arising out of the war, Montreal Tramways Commission reports passengers carried in 1941 exceeded that of all previous years.

Passengers numbered 263.6 millions, an increase of 16.75% over 1940.

Gross revenues advanced to nearly $16.5 millions, an increase of $2.2 millions. On the other hand expenses were higher and almost entirely offset the gain in gross income, due to increase in mileage to higher cost of labor and materials, and amount paid in taxes.

Reduction in Deficit

After taking care of all the charges provided for under the contract between the city and the company, the Commission reports a deficit of $364,320 including provision of $500,000 payable to the city for rental. This compares with a deficit of $466,662 in 1940, a net improvement of $102,342.

Revenue and Expenditure

	1941 $	1940 $
Gross receipts	16,465,052	14,205,796
Less: Oper. expenses	8,858,538	7,696,639
Oper. profit	67,663	67,623
Reserves	3,958,188	2,974,417
Interest on assets	3,247,829	3,245,920
Int. on W.C.	15,723	6,428
Fin. allowance	181,431	181,431
City rental	500,000	500,000
Deficit	364,320	466,662

During the year Montreal street cars travelled 27.9 million miles, motor-buses and trolley buses 9.9 million miles, total mileage of 37.8 million miles. This was an increase of 4 million miles over that reported in 1940.

In order to meet the traffic load the company placed in service during the year 62 new motor buses. Some 15 other buses were also ordered last October and will be delivered during the early part of this year.

Simpsons' First Quarter Better

Expect Uptrend to Hold For Balance of Spring Season

Business of Simpsons Ltd. in the first quarter of the year continued to show improvement over last year and there is nothing to indicate at present that these conditions will not continue for the balance of the spring period, C. L. Burton, president, told the annual meeting.

Such provision in forward buying as seems prudent has been made but it is expected restrictions in the sale of consumers' goods will widen from now on.

Reviewing 1941 operations, Mr. Burton pointed out that sales established a new record. During the year the company expended on capital assets $960,895, principally due to payments on completion of Toronto property and Regina warehouse addition. Additions to buildings in 1940 and 1941 have given ample accommodation for all services and further capital expenditures are not contemplated.

Steel Situation Deteriorates

Orders for about 500,000 tons of steel on the books of Canadian steel producers have been cancelled by order of F. B. Kilbourn, steel controller. This covers all orders on the books at Dec. 1, 1941, and not yet filled. These must now be treated as new orders subject to the approval of the steel controller. This is roughly equivalent to a quarter of a year's production from Canadian steel mills.

Pyramiding of orders by manufacturers, who hoped to get delivery for their needs from at least one mill, is stated to be the primary cause of a situation where accurate estimate of real demand for steel could not be made. Now all new orders and every renewal order must be sent to the steel controller's office and the manufacturer must prove his requirements for war purposes or for an essential need closely linked with the war effort.

Shortages of strategic alloys used in making high grade tool steel and alloys have brought closer control over imports of these types from the United States. Mr. Kilbourn has prohibited all imports of high speed steel, carbon tool steel or alloy steel except under license.

Tungsten is said to be the most important of these alloys. This material came chiefly from China and the war in the Pacific has reduced supplies about 60%. Substitutes, such as vanadium and molybdenum, may be used but are almost as scarce as tungsten. Arrangements have had to be made to use United States production facilities and imports are being directed to essential war industries.

Canadian Car and Foundry Co. is being bought by speculators on the strength of reports the company will shortly release a plan designed to liquidate arrears of dividends on the preferred stock. Directors are understood studying the matter, but so far no plan has been drawn up. One difficulty is the uncertainty in respect to the amount of taxes which the company will have to pay on the sabotage award.

Trends IN INVESTMENT

War's effects on stocks appear to be getting greater attention from investors.

For many months after the war started the most popular stocks appeared to be those which were in an in-between class. They did not depend too much on war work but were in a position to get a fair share of the accelerating activity the war generated.

Lately, there have been noticeable signs of greater emphasis on companies assured of capacity operations due directly to war business. Probably, this is nothing more than clearer realization of what consumer controls and restrictions on materials mean. To date we have been living to a large extent off stocks built up before the full shock of war was felt, perhaps even in pre-war days.

* * *

Steel stocks give a good example. Dominion Steel & Coal B shares, Dominion Bridge, Steel of Canada common, United Steel and General Steel Wares shares are all well above this year's lows and in certain cases have reached new 1942 highs. Dominion Foundries is an exception, hovering at approximately the lows for this year to date. Typical of a few of these moves are the following:

1942 Price Range

	High	Low	Last
Steel of Canada	63	57	61
Dosco B	9¼	5½	9¼
United Steel	4⅛	2⅝	4
Dom. Bridge	24	22⅞	23¾
Gen. Steel Wares	6¼	5	6
Eastern Steel	12	10	11¼
Dom. Foundries	19	16¼	16¾

* * *

Above examples contrast with stocks either definitely hit by war events or which to the ordinary investor may appear threatened. Goodyear Tire & Rubber is trading at all-time lows for the present stocks. In 1938, the present common, which was issued in 1935, sold down to $52 a share, can now be bought for around $34. The preferred which never sold below $51 can be bought today for about $39.

Simpsons Ltd. preferred stock has lost $13 a share from its 1942 high of $89 and is now selling very close to its low. Probably this is a combination of distrust of price control and conviction that there is going to be a gradual disappearance of many regular articles for civilian consumption.

* * *

No general trend appears to have yet developed. There has not been enough strength in the one case to start a general upward move. But there seems considerable significance to the market casualties.

Wherever an industry, particularly a civilian industry, is threatened with loss of its raw material sources, a period of meagre earnings must be faced. A story on page 7 of The Post indicates the problem facing the rubber industry, reason enough for investor distrust. Other industries may be able to get their materials in this country but there are more urgent needs for them for war uses.

Discrimination is needed as never before. A background of business activity and potential purchasing power never before equalled exists. Normally this would mean strong stock markets and good returns to investors but not necessarily in wartime or at least for only a few select issues.

Newsprint Ranks High In U.S. Paper Plans

From Our Own Correspondent

MONTREAL.—Newsprint is the least likely of all grades of paper to be affected by U. S. governmental regulations, according to Douglas Cole, Canadian Trade Commissioner at New York.

"However," he said, "at present it is impossible to say whether or not the newsprint paper industry will be subject to government control."

Mr. Cole said it is anticipated consumption of newsprint in 1942 will remain at about the same level as in 1941, unless the government intervenes.

Market Opinions

Enough stocks on the New York market have rallied recently to give observers grounds for slightly more optimistic comments.

Barron's, N.Y.—(The Trader— The technical position of the market has been improving rather than deteriorating. While stocks on the average have been slow getting off the bottom, enough leaders have rallied, and sufficiently, to suggest that the worst has been seen in a good many instances and that failure of the list as a whole to recover simply means a prolongation of a tediously long period of accumulation.

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When victory is won it will be a great satisfaction to you to know that you assisted by purchasing Victory Bonds. Furthermore, every $100 invested in Victory Bonds may be far more useful to you then than now.

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Wood, Gundy & Company Limited

April Dividends Drop $2.9 Millions on Year

Dividends scheduled for payment in April this year by Canadian companies will be $2.9 millions lower than in the same month of 1941, according to estimates by The Financial Post. For the first four months of this year a decline of about $3.7 millions is shown.

Bond interest to be paid this month is estimated at $32.8 millions, same as in the corresponding month of 1941. Together, investors will have received $53.8 millions this month against $56.7 millions in April, 1941.

This month 10 companies are paying extra dividends. The list includes three gold mines, an investment trust and six industrial companies. Canadian Canners is paying another participating dividend of five cents on its first and second preferred and Wabasso Cotton has raised its common dividend from 50 cents a share to $1.

London & Western Trusts has resumed payments with $1 a share, first disbursement since 1932. Canadian Wirebound Boxes is reducing class A arrears by 12½ cents a share and Hamilton Cottons eliminating arrears balance with a payment of $2 a share.

Celanese Corp. of America is paying an initial dividend on its second preferred of $1.75 a share. Collingwood Terminals is paying 25 cents a share on its common and preferred as an initial payment. Massey-Harris is paying 62½ cents a share on its new preferred stock, first dividends since 1930.

Sun Life has reduced its dividend to $3.25 a share from the previous rate of $3.75 a share. Dome Mines is paying 40 cents, down 10 cents from last previous payment. Northern Ontario Power has cut dividends from 20 cents a share to 10 cents and Canadian Western Natural Gas is paying $1 a share where last payment was $2.

Monthly Dividends

	1942 $	1941 $
January	22,952,057	23,026,402
February	10,016,154	10,655,895
March	27,730,638	27,821,583
April	20,939,115	23,823,789
Total	81,637,964	85,327,669

Summary of April Payments

	1942 $	1941 $
Dividends	20,939,115	23,823,789
Bond interest	32,832,000	32,832,000
Total	53,771,115	56,655,789

Industrials and Utilities

Company	Rate $	Date	Amt. $
Agnew Surpass, pfd.	1.75q	1	15,333
Alta. Wood Pres., p.	1.75q	1	3,816
Amer. Cyanamid, A, B	†.15q	1	392,754
Do., pref.	†.12½q	1	106,857
Assoc. Breweries, pf.	1.75q	1	12,492
Atlas Steels pf.	1.75q	1	3,937
Belding Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	15	1,668,588
Biltmore Hats	.15q	15	12,000
Brant. Cordage, pf.	.32½q	15	11,654
Brazilian Tr., pref.	1.50q	1	5,901
B. C. Elec. Pr. & G., p.	1.50q	1	75,000
B. C. Power, A	.50q	15	500,000
B. C. Tele., 1st pfd.	1.50q	1	15,000
Building Prod.	.17½q	1	84,592
Burlington Steel	.15q	1	21,000
Canada Bread, 1st pf.	1.50q	1	18,750
Do., B pref.	.62½q	1	15,625
Canada Iron	3	15	48,967
Do., pref.	3	15	116,334
Can. Nor. Power	.15q	25	60,000
Do., pref.	1.75q	15	96,250
Canada Packers	1q	1	200,000
Can. Steamships, pfd.	2.50	1	573,125
Can. Breweries, pfd.	.75q	1	122,400
Can. Canners	.12½q	1	17,223
Do., 1st pref.	.25q	1	47,719
Do., participating	.05	1	9,543
Do., 2nd pref.	.15q	1	54,559
Do., participating	.05	1	18,186
Canadian Car, pfd.	.44q	10	123,200
Can. Converters	.50q	30	8,667
Can. Cottons	1q	1	27,155
Do., extra	2	1	54,310
Do., pref.	1.50q	1	50,109
Can. Fairbanks, pfd.	1.50q	15	17,517
Can. Gen. Elec.	2q	1	377,690
Can. Industries, A, B	1.50q	30	1,045,417
Do., pref.	1.75q	15	81,375
Can. Tube & Stl., p.	1.50	15	22,500
Can. W. Nat. Gas, c.	1	23	80,000
Can. West'ghouse	.50q	1	273,000
Can. Wire. Box, A	.37½	1	19,093
Do., arrears	.12½	1	6,364
Carnation, 1st pfd.	†1.25q	1	36,698
Celanese of Amer. pfd.	†1.25q	1	47,137
Do., 7% pr. pref.	†1.75q	1	288,431
Do., 2nd pref.	*†1.75	1	259,312
Coll'gwood Term., p., c.	*.25	20	9,586
Cons. Bakeries	.15	1	47,766
Comm. Alcohols, pfd.	.10q	15	5,000
Do., com.	.05	15	9,955
Consumers' Gas	2q	1	291,104
Dom. Foundries, c.	.25q	1	89,512
Dominion Glass	1.25q	1	63,125
Do., pref.	1.75q	1	45,500
Dom. Textile	1.25q	1	337,500
Do., pref.	1.75q	15	33,960
Eastern Steel, pfd.	.25q	1	4,500
Easy Washing, pfd.	.17½q	1	1,125
Famous Players	.25q	27	107,631
Fanny Farmer	†.37½q	1	136,894
Foundation Co.	.25q	18	21,150
Do., extra	.25	18	21,150
Gatineau Power, pf.	1.37q	1	47,950
Do., 5% pref.	1.25q	1	152,450
Gordon & Belyea, p.	1.50q	1	1,882
Goodyear Tire	.62q	1	159,501
Do., pref.	.62½q	1	74,425
Goulds Pumps, pfd.	†1	1	7,475
Gt. Lakes Power, p.	1.75q	15	13,125
Gt. Lakes Paper, A, B, p.	.25	15	50,000
Greening Wire	.15q	1	28,500
Gt. West Sadd., pfd.	.75q	7	5,244
Do., 2nd pref.	.75q	7	868
Guardian Realty, p.	.50	15	5,000
Ham. Cotton, pfd.	.50q	1	9,152
Do., arrears	*2	1	36,610
Hinde & Dauch	.25q	1	74,983
Honey Dew	.50q	1	10,322
Inter. Bronze	.37½q	15	37,500
Do., pref.	.37½q	15	37,500
Inter. Milling, pfd.	†1.25q	15	67,895
Inter. Power, pref.	1.75q	1	140,000
Jam. Pub. Ser.	.17q	1	22,950
Do., pref.	1.75q	1	13,125
Lang, J. A.	.17½q	1	17,500
Do., extra	.30	1	30,000
Maritime Telegraph	.20q	15	77,062
Do., pref.	.17½q	15	26,250
Massey-Harris, pfd.	*.31¼	15	151,123
Do.	*.31¼	15	151,123
Mod. Containers	.20q	1	5,000
Do., extra	.10	1	2,500
Do., pref.	1.37½q	1	4,125
Montreal Tele.	‡.43q	15	21,500
Montreal L., H. Pr.	.37q	30	1,660,888
Moore Corp.	.55½q	1	230,911
Do., A, B, pref.	†1.75q	1	52,982
Murphy Paint	.20q	1	13,760
Do., pref.	1.37½q	1	5,500
Nat. Breweries	.50q	1	360,686
Do., pref.	.44q	1	48,840
Nan.-Dom. Util., c.	.25s	1	18,750
National Grocers, p.	.37q	1	54,679
Nat. Steel Car	.50q	15	87,689
N. B. Telephone	.12q	15	76,465
Niag. Wire Weav.	.50q	1	57,500
North. Ont. Power	.12q	25	28,804
Do., pref.	1.50q	25	37,474
N. S. Light & Pr., ord.	1.50q	1	51,784
Ogilvie Flour, c.	.25q	1	150,000
Ont. Silknit, pref.	▲1	15	10,009
Ottawa El. Rly.	.30q	1	10,559
Ottawa L. Heat	.15q	1	20,992
Do., pref.	1.25q	1	21,250
Page Hersey Tubes	1.25q	1	217,845
Porto Rico Pwr., pfd.	1.75q	1	17,500
Power Corp., pref.	1.50q	15	75,000
Do., 2nd pref.	.75q	15	75,000
Price Bros., pref.	1.37½q	1	86,409
Provincial Paper, pf.	1.75q	1	61,250
R. Silk Mills, A	.50q	1	15,000
Sangamo	.25q	11	11,325
St. J. Drydock, pfd.	1.37½q	1	4,761
St. Law. Corp., A pf.	.25q	15	72,369
St. Law. Paper, pfd.	.75q	15	102,886
Sher.-Williams, pfd.	1.75q	1	60,550
Silverwoods Dairies	.20s	1	35,319
Do., pref.	.20s	1	29,000
Smith, H., Paper, p.	1.50q	15	107,554
South. Can. Power, p	1.50q	15	106,333
Stand. Fuel, pfd.	1q	1	11,860
Stand. Radio, A, B	.10	10	21,500
Stedman Bros.	.15q	1	13,500
Do., extra	.30	1	27,000
Do., pref.	.75q	1	4,500
Tamblyn, G.	.20q	1	22,400
Do., pref.	.62½q	1	3,750
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	17,717
Tuckett Tob., pfd.	1.75q	15	35,000
United Fuel, A pfd.	.75q	1	67,500
Viau, pref.	1.25q	1	11,825
Wabasso Cotton	1q	1	69,903
West. Koot. Pr., pfd.	1.75q	1	8,750
West. Breweries	.10	15	24,478
West. Grocers	.75q	15	12,706
Do., extra	2	15	33,886
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,884
Wilsil	.25q	1	33,925
Total			14,482,910

Mining Companies

Company	Rate $	Date	Amt. $
Bralorne Mines	.20q	15	249,400
Do., extra	.10	15	124,700
Can. Min. Eq., c., pfd.	.10	15	11,123
Cariboo Gold	.04q	1	53,332
Cochenour Willans	.03	20	88,848
Dome Mines	.40	20	778,667
Hollinger Cons.	.05	22	246,000
Kerr Addison	.05	28	236,515
Moneta Porcupine	.02q	15	50,876
Northern Empire	.10	10	40,000
Pickle Crow	.10	30	300,000
Pioneer Gold	.10q	1	175,175
Premier Gold	.02q	15	100,000
Preston E. Dome	.05q	15	150,000
Proprietary Mines	.05	29	40,365
Reno Gold	.20	30	376,000
San Antonio	.07s	20	162,166
Do., extra	.03	20	69,500
Sheep Creek Gold	.04q	15	75,000
Do., extra	.01	15	18,750
Silbak Premier	.04q	25	100,000
Sturgeon River	.02	30	54,995
Wendigo Gold	.03	15	52,482
Wr. Hargreaves	.10q	1	550,000
Total			4,112,894

Oil Companies

Company	Rate $	Date	Amt. $
Brit. Amer. Oil	.25q	1	693,160
Canadian Oil, pfd.	2q	1	40,000
McColl-Fron., pf.	1.50q	15	115,005
North Star, pref.	.08¾q	1	17,500
Total			865,665

Financial

Company	Rate $	Date	Amt. $
Bank of N. Scotia	3q	1	360,000
Brit. Amer. Assur.	1.50s	1	45,000
Brockville Trust	.62½q	1	6,250
Canada Life	5q	1	50,000
Can. Perm. Mtge.	2q	1	140,000
Can. For. Invest., pf.	2q	1	13,734
Can. Gen. Invest.	.12½q	15	75,073
Central Can. Loan	2q	1	50,000
Chartered Trust	1q	1	10,000
Crown Life	3%q	1	8,352
East. Can. Savings	1.50q	1	11,250
Eastern Trust	2q	1	20,000
Econ. Inv. Trust	1.37½s	1	54,896
General Trust, pfd.	1.25q	15	13,750
Gt. West Life	3.75q	1	37,500
Guaranty Trust	1.25q	15	3,750
Huron & E. Mtge.	1%	1	50,000
Invest. Found., pref.	.75q	15	21,879
Landed Bkg. Loan	1q	1	10,000
Lon. & West. Trust	1	1	12,137
Mtl. C. & D. Bank.	3q	1	60,000
National Trust	2q	1	60,000
Ont. Loan & Deb.	1.25q	1	50,000
Sun Life Assur.	3.25q	1	65,000
Third Can. G. In. Tr.	.12½	15	81,749
Do., extra	.01½	15	9,809
Tor. Gen. Trusts	1q	1	30,000
Toronto Mortgage	1.25q	1	24,662
Traders Finance, p.	1.50	1	36,855
Western Assur., c.	1.20s	1	66,000
Total			1,477,648
Grand total			20,939,115

q—Quarterly. s—Semi-annually. *Initial. •Eliminates arrears. †Payable in U. S. funds. ‡After corporate inc. tax. ▲On arrears.

Company Reports

Burns & Co.

Sales of Burns & Co. in 1941 reached the highest level in the company's history. John Burns, president, comments that while the uncertainty of war conditions renders it inappropriate to forecast sales for 1942, it is generally anticipated they will continue at the same level.

Acquisition of Dumarts Ltd. is reflected in the net current asset position which is $2.6 millions compared with $2.9 millions a year ago. Inventories are up to $5.3 millions from $3.4 millions. Total of all liabilities to the bank is $5.8 millions, an increase of $2.9 millions on the year. Amount owing from the Canadian Bacon Board for product shipped is $2.3 millions in addition to $1.4 million for product in cure and in storage.

Mr. Burns adds that the vital necessity of providing greater facilities for the increased volume of business the company was called upon to handle resulted in a substantial increase in capital expenditures beyond that originally estimated in 1941. He comments that Burns and Co. is fortunate that certain additional facilities were provided in the past year.

Income and Surplus Account
Years Ended

	Dec. 31 1941 $	Dec. 26 1940 $
Operating profit	1,249,767	686,843
Less: Dirs. fees	7,696	10,491
Exec. sals.	59,251	49,500
Less amts. chg. to subs.	18,000	18,000
Legal fees	350	......
Net earnings	1,200,472	644,277
Add: Subsid. rent	9,966	10,432
Subsid. divds.	30,201	4,958
Rentals	22,320	22,278
Other income	5,855	6,449
Total net income	1,268,816	688,394
Less: Depreciation	663,505	327,729
Bond interest	327,931	328,860
Bank interest	119,958	104,726
Taxes	60,000	......
Mtge. interest	......	3,450
Net profit	97,421	*76,371
Add: Prev. surplus	*7,771	68,600
Prior inc.	17,953	......
Surplus forward	107,603	*7,771

*Deficit.

	1941	1940
Times Bond Interest Earned:		
Before deprec.	$3.50	$1.76
After depreciation	1.48	0.77
Earnings per Share:		
Class A	$2.88	d$2.27
Class B	0.58	......

Working Capital

	1941 $	1940 $
Current assets	10,037,064	7,057,084
Current liabilities	7,526,205	4,180,425
Working capital	2,511,859	2,876,659

Supersilk Hosiery

Operating conditions during 1941 were serious and with the regulations currently in force and those impending, the future is not clear, states W. S. Thompson, president, in the Supersilk Hosiery Mills Ltd. 1941 annual report.

In March of last year the company was required by government decree to reduce the content of silk in full-fashioned hosiery by 25%. This restriction was increased to 40% in June and on Aug. 9 the entire reserve of raw silk, except that in progress of manufacture, was seized by the government. The company, however, had a substantial supply of raw silk in process at the time of the seizure and was able to finish the year on a satisfactory basis.

Much time has been given to the substitution of other materials for pure silk and it has been necessary to curtail operations to about 60% to 70% of mill capacity due to restrictions on the amount of substitute materials available.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	186,934	122,376
Less: Taxes	70,000	50,000
Conting. res.	50,000	......
Net profit	66,394	72,376
Less: Pref. divds.	24,590	24,677
Surplus for year	42,344	47,699
Add: Prev. surplus	228,514	180,815
Surplus forward	270,858	228,514
Earnings per Share:		
Preferred	$13.84	$14.70
Paid	5.00	5.00
Class A and B	0.42	0.47
None paid.		

Working Capital

	1941 $	1940 $
Current assets	749,397	724,070
Current liabilities	162,701	276,516
Working capital	586,696	447,554

Aluminium Ltd.

Aluminium Ltd.'s consolidated financial statement for 1941 shows outstanding expansion of operations. Operating profits reached the impressive figure of $71.1 millions compared with $41.3 millions the year before. After allowing for all charges, net profit on the common stock amounted to $20.8 a share compared with $16.03 in 1940.

The extent of this company's war effort may be gathered from the fact that property account expanded by nearly $85 millions. Approximately $25 millions represented plant of Aluminum Power Co. and the balance new capital outlay at Arvida and elsewhere.

Current assets are $116.5 millions of which $48.1 millions is earmarked for construction.

Of the current assets, $34.6 millions are principally in Dominion of Canada Treasury Bills and nearly $21 millions cash.

Against these items the company has received advances of $56.2 millions on sales contracts while the amount advanced by the British government to the Aluminum Co. of Canada increased during the year from $39.6 millions to $55.6 millions. Latter was for plant expansion at Arvida.

Additional company property outside of Canada came under control of the Axis powers. This was reflected in an increase in net assets in enemy territory from $7.8 millions to $31.4 millions, after reserves.

$31.4 millions in Taxes

Another interesting feature of the accounts is the provision for payment of $31.4 millions in income and excess profits taxes, an increase of 50% over that reported in 1940.

Two new items in the balance sheet are $19 millions of funded debt of the Aluminum Power Co. and $7.5 millions of certain contractual obligations of the same company.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross oper. income	71,120,358	41,285,797
Other income	619,932	895,326
Gross revenue	71,740,290	42,181,123
Less: Interest	2,113,432	130,925
Exec salaries	641,656	493,750
Legal fees	131,177	131,195
Directors' fees	11,101	13,623
W/o patents	153,508	15,820
Tax provision	31,416,649	20,563,633
Depreciation	17,275,636	3,919,307
Inventory deprec.	3,982,970	2,447,033
Res enemy prop.	......	1,370,853
Net profit	16,014,161	12,462,231
Less: Pfd. dividends	526,113	526,113
Com. dividends	7,444,100	5,955,280
Surplus for year	8,043,948	5,980,838
Add: Prev. surplus	32,701,323	27,747,806
Less: Pension fund	1,694,407	1,549,590
Surplus forward	39,050,864	32,379,054
Earned on Common	$20.80	$16.03

Working Capital

	1941 $	1940 $
Current assets	116,522,966	62,630,166
Current liabilities	44,597,839	31,021,347
Working capital	71,925,127	31,608,819

Balance Sheet Changes

	$	$
Property (net)	126,332,098	59,422,955
Inventories	31,418,555	22,619,095
Accts. receivable	26,813,593	21,322,868
Market securities	37,301,760	3,316,34
Cash	20,989,048	15,371,567
3% notes	55,600,000	39,600,000
Advances on contracts	56,264,428	....
Accts. payable	13,460,641	7,321,024

John A. Lang

The leather industry in 1941 was busy and John A. Lang & Sons Ltd. participated in this activity, states Joseph H. Lang, president. Industry takes a large share of production and heavy demand from the armed forces resulted in a substantial increase in volume.

Difficulties in obtaining the quantity and quality of raw materials desired are anticipated in 1942. Effect of price ceilings is an added source of uncertainty and Mr. Lang states that:

"It is our opinion that their effectiveness will depend on the wisdom with which they are administered and the co-operation by all concerned. It is to be hoped that they will not be restrictive to the extent that they will remove the incentive to maintain and increase essential production and that they will permit industry to provide for extraordinary war costs. It is also very important that they allow provision for postwar contingencies. In common with the rest of the industry we shall give the government our active co-operation believing that as a result of mutual consideration the difficulties of price control will be adjusted on a practical basis."

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	271,824	244,204
Add: Other income	9,986	11,745
Total profit	281,810	255,949
Less: Exec. salaries	25,912	29,966
Legal fees	14	11
Directors' fees	1,600	1,200
Taxes	100,000	73,427
Depreciation	10,244	9,098
Net profit	144,040	142,247
Less: Dividends	82,500	100,000
Surplus for year	61,540	42,247
Add: Prev. surplus	629,525	587,279
Excess tax prov.	24	......
Less: Inventory res.	50,000	......
Earned surplus fwd.	641,089	629,525
Earned per Share	$1.44	$1.42
Paid	0.825	1.00
Shares o/s, n.p.v.	100,000	100,000

Working Capital

	$	$
Current assets	1,024,598	945,651
Current liabilities	129,955	100,461
Working capital	894,643	845,190

Consolidated Paper Corp. advised the Montreal Curb Market in connection with the offer of stock in lieu of bond interest, that during March there has been issued in payment of interest 80½ shares of capital stock, bringing the total number of present outstanding shares to 2,560,546.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.6	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.3	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
1942: Weekly Figures:												
Mar. 5	70.6	66.7	72.9	41.7	106.4	81.5	95.1	74.7	61.5	90.3	67.6	63.5
Mar. 12	69.6	66.0	71.9	40.9	104.2	76.4	91.2	73.8	61.8	89.4	67.1	61.7
Mar. 19	69.3	66.2	71.9	41.3	104.6	75.0	91.8	73.0	62.2	89.3	67.6	62.3
Mar. 26	69.0	66.4	68.7	41.0	103.0	73.4	92.7	73.4	63.0	89.3	68.1	61.8
Apr. 2	69.9	65.3	69.3	41.3	103.3	72.6	93.3	75.0	61.6	88.9	67.2	62.0

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 7	82.81	65.74	63.53	16.37
Apr. 6	Holiday			
Apr. 4	81.91	65.40	63.56	16.31
Apr. 3	Holiday			
Apr. 2	81.78	65.37	63.46	16.31
Apr. 1	81.60	65.30	63.26	16.34
Month ago	84.01	71.17	64.44	17.33
Year ago	93.24	102.00	65.06	18.97
High 1942	93.50	83.71	71.01	18.86
Low 1942	80.94	63.23	62.84	16.37

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Apr. 7	41.9	56.7	51.8	63.46	40.08
Apr. 6	Holiday				
Apr. 4	41.6	56.2	51.3	64.98	40.25
Apr. 3	Holiday				
Apr. 2	41.6	56.2	51.3	64.78	40.25
Apr. 1	41.7	56.3	51.4	64.63	40.25
Month ago	41.1	57.6	51.7	65.27	42.91
Year ago	46.5	56.5	53.1	64.55	76.49
High 1942	43.6	60.5	54.7	77.18	54.63
Low 1942	40.3	56.0	51.1	64.03	37.94

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint

Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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THE TORONTO GENERAL ★ TRUSTS ★ CORPORATION

Head Office: 253 Bay Street, Toronto

Ontario Budgets Surplus

Showed "Overall" Surplus of $13 Millions Last Year

Ontario's surplus of $13.3 millions for the fiscal year ended March 31, 1942, compares with the estimated surplus of $9.7 millions. For the year ending March 31, 1943, a surplus of $473,614 is forecast by Premier Mitchell F. Hepburn, who also promises that his government will not increase taxes or introduce new levies.

Higher returns than estimated for gasoline taxes and liquor sales were factors in the improved 1941-42 surplus. Accounting for a large part of the drop in surplus anticipated for the 1943 fiscal year is an expected decline in liquor board revenues from $13.6 millions to $10.5 millions, in succession duty return from $11.5 millions to $10 millions, motor vehicles from $9.9 millions to $5 millions and gasoline tax from $27.5 millions to the Dominion guaranteed figure of $26.6 millions.

Mr. Hepburn this year followed a new policy in presenting the "over-all" financial picture of Ontario. This procedure means inclusion of capital receipts and payments along with ordinary revenues and expenditures and presents a totally different idea of surplus. How this is figured for the fiscal year just ended and on the estimated results for the 1943 fiscal year is as follows:

Year Ended Mar. 31, 1942

	Current	Capital	Total
		$000	
Revenue	120,958	19,870	140,828
Expenditures	107,629	31,815	139,445
Surplus	13,329	d11,945	1,383

d-Deficit.

Year Ended Mar. 31, 1943 (est.)

	Current	Capital	Total
		$000	
Revenue	105,047	31,303	136,351
Expenditures	104,574	18,450	123,024
Surplus	473	12,853	13,326

Most of the anticipated increase in capital receipts is attributable to a repayment of advances by the Ontario Hydro to the extent of $14.2 millions as compared with $1.7 million in the 1942 fiscal year. Heaviest cut in the capital expenditures account is for highways on which only $5 millions are to be spent this year against $17.1 millions last year.

Explaining his new system of showing the over-all surplus position Mr. Hepburn said:

"I prefer to combine the revenues from ordinary account and capital account, and to offset against the sum of these two items the total expenditures of the government whether for capital or for ordinary purposes."

To Mr. Hepburn the system of differentiating between ordinary and capital receipts and payments which sometimes results in a surplus on ordinary account and a deficit on capital account "resembles too much the system of bridge scoring above and below the line."

New debenture issues of $13.2 millions during the fiscal year, offset by redemptions of $10.5 millions, increased Ontario's funded debt by $2.7 millions to a total of $619.3 millions. Treasury bills outstanding were reduced by $11.5 millions to $49.5 millions while estimated contingent liability of the province as at Mar. 31, 1942, was $125.5 millions, a decrease of $6.5 millions from last year.

During the year the province arranged with the United Kingdom treasury for the repatriation of the $200,000 total of 4% inscribed stock due 1947 and 4½% inscribed stock due 1965. This action was taken to help provide Canadian dollars to the U. K. for purchases of war materials here.

Municipalities Better

Mr. Hepburn reported a further improvement in the financial position of Ontario municipalities. In 1941 the gross debenture debt was reduced by approximately $12 millions to $353.5 millions or $100.66 per capita. In 1934 the gross debenture debt amounted to $483.9 millions or $147.76 per capita. Debt in 1934 represented 16% of the assessed valuation, while in 1941 it was 11.8% of the assessed valuation of all municipalities in Ontario.

From 1934 to 1941, 37 municipalities were subject to the supervision of the department of municipal affairs. The debt in default or involved amounted to $108.2 millions. By the end of 1941, $96.6 millions had been refunded or dealt with on a permanent basis and $9.5 millions on an interim refunding basis, leaving only $2.1 millions to be taken care of. This latter figure is less than 2% of the original amount involved and less than 0.007 of the gross funded debt of all Ontario municipalities.

Mr. Hepburn announced that the one mill subsidy paid by the province to the municipalities will be repeated this year.

Cheese subsidies totalling $2.9 millions were paid during the year to 26,000 Ontario farmers. This subsidy and also the one on premium hogs will be continued again this year.

Ontario Financial Summary
Gross Ordinary Revenues
Years Ended Mar. 31
($000's)

Revenue:	1943	1942	1941
Attorney-General	1,021	1,021	930
Game & Fisheries	750	1,145	1,000
Health	1,308	1,649	1,579
Gas tax	26,608	27,500	26,500
Motor vehicles	5,000	9,900	9,000
Lands & Forests	4,000	5,000	5,000
Mines	2,000	2,712	2,330
Prov. Secty.	680	1,334	1,242
Liquor Board	10,500	13,650	10,500
Succession duty	10,000	11,500	11,000
Corp. tax subvention	21,509	21,982	23,000
Inc. tax subvention	6,856	7,512	6,800
Subsidy	3,136	3,136	3,014
Pub. debt int., etc.	8,578	9,158	9,673
Other	2,614	3,676	2,941
Total	105,047	120,958	114,056
Gross Ordinary Expenditure:			
Attorney General	3,234	3,416	3,200
Agriculture	5,928	5,345	5,984
Education	14,210	13,574	12,730
Health	11,851	11,116	10,900
Highways	12,157	17,128	13,036
Lands & Forests	2,652	2,337	2,166
Munic. Affairs	3,122	3,063	3,060
Prov. Secty.	2,064	2,253	2,383
Prov. Treas.	1,550	1,689	1,931
Welfare	9,025	8,509	8,708
Relief	3,000	3,410	4,315
Debt interest	32,302	32,248	32,676
Other	2,752	3,530	4,251
Total	104,574	107,629	101,456
Recapitulation:			
Gross ord. rev.	105,047	120,958	114,056
Gross ord. exps.	104,574	107,629	101,456
Gross ord. surplus	473	13,329	12,660

—Photo Blank-Stoller.

ELECTED PRESIDENT

Albin J. Walker, who has been elected president of Holt Renfrew & Co. Ltd., succeeding the late Senator Lawrence C. Webster. John G. McConnell has been elected vice-president of the company.

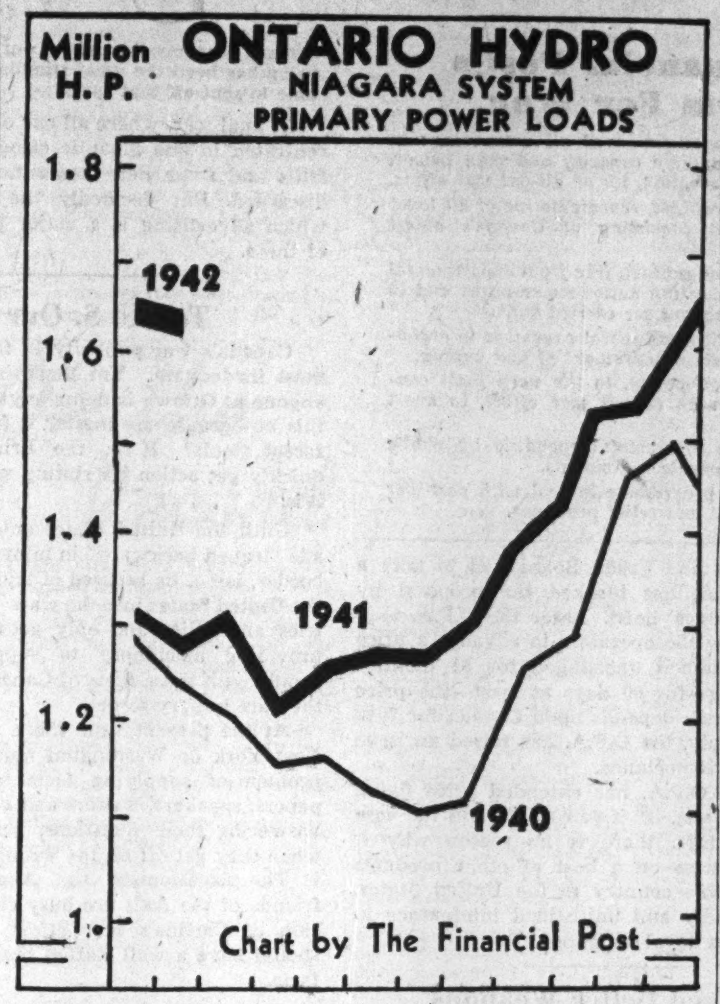
Canada Dry To Offer Stock

Canada Dry Ginger Ale has filed with the Securities & Exchange Commission a registration statement covering 25,173 shares of $5.50 cumulative preferred stock without par value. This stock, convertible into common on a basis to be established later, would be offered to common stockholders on the basis of one share of new preferred for each 24 shares of common held. Union Securities Corp. and Hornblower & Weekes are named as the principal underwriters.

Proceeds of the financing would be used to repay $1.1 million bank loans now outstanding and to supply more working capital.

The financing would leave 25,173 shares of $5.50 cumulative preferred and 604,157 common shares. The company has no funded debt.

Ontario Hydro Load Boosted by War Needs



War has thrown out the normal seasonal trends in electric power use, as reported by Hydro-Electric Power Commission of Ontario. In 1941 the commission's Niagara system peak primary power load declined 39,000 h.p. from January to February, but this year the decline is only 12,000 h.p.

This time last year, the Niagara system was showing increases of 3 or 4% in primary peak load. This year, February figures show a rise of 27.5% over the same month last year.

The situation leads Ontario Hydro to emphasize the prospect of a shortage of between 150,000 and 300,000 h.p. in 1942.

All systems, with the exception of northern Ontario, show gains in primary power load in February with by far the greatest shown by the largest and most important Niagara system. Northern Ontario is down 2% in primary load but up 33.6% in combined primary and secondary.

The Niagara system only sold 45,000 h.p. as secondary power at its February peak this year, a year ago it sold almost 200,000 h.p., again illustrating the transfer from secondary to primary load as war industries step up their demands.

Maximum 20-Minute Peak H.P.

	Feb., 1942	Feb., 1941	Incr. %
Primary Loads:			
Niagara	1,642,761	1,287,936	+27.5
Eastern Ont.	171,413	149,196	+14.9
Georgian Bay	46,104	41,610	+10.8
Thunder Bay	106,595	92,493	+15.2
Northern Ont.	199,612	203,747	—2.0
All systems	2,166,485	1,774,982	+22.1
Primary and Secondary Loads:			
Niagara	1,687,265	1,479,759	+14.0
Eastern Ont.	175,220	149,196	+17.4
Georgian Bay	46,104	41,610	+10.8
Thunder Bay	132,882	92,493	+43.7
Northern Ont.	272,132	203,747	+33.6
All systems	2,313,603	1,966,805	+17.6

Bond MARKETS

Dominion refunding of the 5's of 1952, a step discussed in bond trading circles for the past month or so, is again up for comment. It is not believed that Canada has any intention of borrowing new money in the United States at least for the present but a fair amount of advantage would accrue if a deal could be arranged on the $100 millions 5% issue which is payable in New York. It is figured here that a refunding might be possible on something approaching a 3½% basis. The present issue is callable at par as a whole on or after May 1 on 60 days notice. The fact that it is continuing to be quoted around par lends strength to the belief that a move toward redemption may not be far distant.

• • •

Ontario municipalities which fought hard against the amendment to the Municipal Affairs Act which would have given the Department of Municipal Affairs greater supervisory powers are now resting easier. Hon. T. B. McQuesten, sponsor of the proposed legislation, has withdrawn it "in view of public uneasiness existing." As the act stands now the powers desired under the amendment are vested with the Ontario Municipal Board and the situation is apparently going to remain that way.

• • •

Burns & Co. 5's of '58 eased a point or so on appearance of the annual report. While showing a very appreciable increase over 1940 the 1941 report still did not come up to some of the more optimistic expectations. During the year, interest on bonds was covered 3.50 times before depreciation and 1.48 times after as compared with 1.76 times and 0.77 times respectively in 1940.

• • •

Brown Co. 5's of 1949 at around 82½ to 83¼ are continuing firm. Gossip has it that the company will make a substantial reduction in the RFC loan with some guessing that the payment will be sufficient to allow an interest payment this year.

Seek New Uses For War Metals

Canadian Institute of Steel Construction has closed its Toronto and Montreal offices and opened a new one at Ottawa to maintain closer contact between various government departments. Ralph C. Manning, formerly of the Toronto office, is to be in charge of the new Ottawa office, assisted by Ernest S. Mattice of Montreal.

The main object of the Institute is to conduct technical research and to find more efficient uses of steel in construction, including the possibilities of combining structural steel with aluminum, stainless steel and various types of modern insulating materials.

These new materials are expected to be in greater use after the war because of greatly increased production seeking new outlets. Many of the older methods of construction using heavy walls and massive interior members are expected to give way before the speed and light weight of newer materials now being used in large quantities for war purposes.

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Rolleicord — Weltur — Cine Kodaks both 8 & 16 m.m. Kodak Recomars
Fothflex — Weltini — Voigtlander Roll Film and Film Pack Cameras
Foth Derby — Ikoflex — Also Ihagee and Balda
Super Ikonta — Leica — or any other modern camera
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has become associated with us.
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Company Reports

Assoc. Breweries

Reflecting better economic conditions and higher income, business handled by Associated Breweries of Canada in 1941 resulted in a substantial increase in operating profits. After provision for greater reserves, net profit available on the common stock totalled $544,140 or $2.28 a share. This contrasted with $490,805 or $2.06 a share the year before.

Balance sheet reflects further strengthening of position. A reduction in cash was more than offset by heavier inventories and larger investments in Dominion of Canada Bonds.

Consol. Profit and Loss Account
Years Ended Dec. 31

	1941	1940
	$	$
Net oper. profit	*1,294,854	1,107,678
Invest. revenue	130,747	113,092
Other revenue	19,954	22,147
Total income	1,445,555	1,242,917
Less: Dir. fees	7,000	6,500
Depreciation	153,827	158,326
Income taxes	280,586	294,519
Excess profit taxes	379,157	241,511
Invest. res.	▲33,124	......
Net profit	591,861	542,061
Less: Pref. divds.	47,721	51,256
Common divds.	416,500	321,300
Surplus for year	127,640	169,505
Add: Prev. surplus	1,260,245	1,090,740
Surplus forward	1,387,885	1,260,245
Earned on common	$2.28	$2.06

*After deduction of $55,747 paid as salaries to executive officers and legal advisors of company.
▲Reserve for contingent losses on investments.

Working Capital

	$	$
Current assets	2,134,027	1,855,597
Current liabilities	742,349	606,598
Working capital	1,391,678	1,248,999

Balance Sheet Changes

	1941	1940
	$	$
Cash	639,274	800,830
Inventories	505,854	384,272
Govt. bonds	732,806	435,581
Investments	1,366,833	1,527,605
Fixed assets	3,616,965	3,531,226
Bank loan	191,029	343,507
Preferred shares	663,900	713,900

Brandram-Henderson

Brandram-Henderson Ltd. reports 1941 as the most successful year since the company was reorganized in 1936. Bank loans were reduced by $85,000 and provision made for payment of bond interest in full. The president, Norman Holland, reports an extremely large increase in business last year, with present indications of its continuance for the current year. This has necessitated carrying much heavier inventories and in this connection, the president reports the company is fairly well covered for most of its essentials for the time being.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross revenue	219,900	171,526
Less: Exec. sal., etc.	41,750	36,491
Directors' fees	1,500	1,535
Reorgan. expenses	15,126	2,000
Depreciation	50,000	50,000
Bond interest	49,500	......
Tax provision	37,728	13,832
Minority interest	......	780
Interest, etc.	......	30,543
Bond int. reserve	......	24,750
Net profit	*24,295	11,595
Add: Prev. surplus	62,622	51,027
Earned surplus fwd.	86,917	62,622

*Available to meet interest due June 1, 1942.

Working Capital

	$	$
Current assets	912,453	778,096
Current liabilities	659,651	568,327
Working capital	252,802	209,769

Balance Sheet Changes

	$	$
Cash	51,535	10,155
Accts. receivable	350,820	296,730
Inventories	509,103	464,787
Bank loan	300,000	385,000
Accts. payable	258,067	142,285

Famous Players

Famous Players Canadian Corp. reports both gross and net profits higher last year than in 1940. Common shares earned $2.71 against $2.32 a share in 1940. Dividends paid in each year totalled $1 a share.

Balance sheet shows working capital down $340,000 to $1.5 million, due chiefly to much higher provision for taxes. Funded debt is about $200,000 higher due to the sale last year of $600,000 in 4½%, series C, bonds, and allowing for the redemption outstanding issues through sinking fund operations and other sources.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	3,035,851	2,624,247
Add: Dividends rec.	197,821	142,734
Interest earned	35,382	53,343
Total earnings	3,269,054	2,820,324
Less: Exec. remun.	134,037	143,126
Directors' fees	3,450	4,450
Legal fees	10,866	9,705
Interest, etc.	268,783	279,895
Depreciation	675,324	591,221
Amort., leases, etc.	52,519	107,751
Debt exp. w/o	53,132	55,500
Income & E. T. tax	900,000	592,500
Net earnings	1,170,943	1,036,176
Less: Min. int., subsids.	9,019	37,621
Net profit	1,161,924	998,555
Less: Dividends	430,524	430,524
Surplus for year	731,400	568,031
Add: Prev. surplus	4,081,462	3,846,486
Gain on assets	10,853	8,165
Income tax adjust.	......	5,550
Other adjustments	......	29,464
Less: Adjust. inc. tax	50,266	......
Addit. deprec.	......	336,324
Prem. subsid. shs. red.	......	39,910
Earned surplus fwd.	4,773,449	4,081,462
Earned per share	$2.70	$2.32
Paid	1.00	1.00
Shares o/s, n.p.v.	430,524	430,524

Working Capital

	$	$
Current assets	2,779,602	2,679,048
Current liabilities	1,291,379	857,389
Working capital	1,488,223	1,821,659

Balance Sheet Changes

	$	$
Cash	1,809,206	1,033,264
Call loans	601,000	598,000
Bonds	......	524,196
Invest. in & advs. subs.	763,348	948,002
Funded debt	5,754,500	5,542,000
Mtges. on props.	468,372	296,615
Min. interest	104,682	602,068

United Amusement

United Amusement Corp. reports further expansion in gross income in 1941, while net profit of $120,763 was equivalent to $1.50 a share. This contrasts with $93,788 or $1.16 a share the year before. Balance sheet reflects expansion in working capital.

E. A. Cousins, president, reports that last year the company with Confederation Amusements Ltd. purchased the Imperial Theatre property at St. Johns, Que. This was the only addition to the circuit during the year.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	977,620	673,093
Less: Admin. expenses	112,628	101,310
Tax provision	552,421	284,519
Depreciation	114,376	114,911
Interest chgs.	70,793	71,926
Bond discount	6,639	6,639
Net profit	120,763	93,788
Less: Dividends	64,663	63,663
Surplus for year	56,100	29,125
Add: Prev. surplus	279,352	250,227
Surplus forward	335,451	279,352
Earned on Common	$1.50	$1.16

Working Capital

	$	$
Current assets	540,498	401,265
Current liabilities	164,382	115,560
Working capital	376,116	285,705

Balance Sheet Changes

	$	$
Govt. bonds	100,000	77,031
Cash	360,604	256,000
Own bonds held	40,045	28,866
Bonded debt	1,410,500	1,432,000

Saguenay Electric

Better industrial conditions in the territory served is reflected in Saguenay Electric Co.'s financial statement for 1941 which shows operating revenue of over $455,000, as against $423,000 the year before. Despite substantially higher provision for taxes, net income of $22,376 was equivalent to $1.42 a share and compared with $13,280 or 75 cents a share the year before. Saguenay Electric is a wholly owned subsidiary of Saguenay Power Co.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Oper. revenue	449,706	417,709
Less: Expenses	228,250	227,678
Add: Other income	5,691	5,862
Total revenue	227,147	195,892
Less: Bond interest	54,281	55,406
Other interest	13,479	18,001
Amortization	7,187	7,182
Other amort.	5,759	2,503
Depreciation	94,187	90,787
Tax provision	29,878	8,731
Net income	22,376	13,280
Less: Prev. deficit	*21,343	40,062
Surplus forward	1,033	▲26,780
Current assets	142,081	140,686
Current liabilities	130,031	52,906
Working capital	12,050	87,780

*Adjusted. ▲Deficit.

Balance Sheet Changes

	$	$
Plant	2,950,152	2,842,869
Inventories	60,699	46,751
Bonded debt	1,175,000	1,225,000
1942 S. F. payments	25,000	......
Owing S. P. Co.	482,562	500,000

Can. Fairbanks-Morse

Sharply expanding operations, due principally to growing volume of war work, are reflected in the Canadian Fairbanks-Morse Co. statement for 1941. Operating profit was $2 millions, against $915,000 in 1940. After all charges there was a net profit of $465,522 or $4.97 a share on the common against $196,617 or $1.62 a share in 1940.

Balance sheet shows inventories and receivables at a higher level, while working capital is the largest reported in some years. During the year, E. and T. Fairbanks & Co., a former subsidiary, surrendered its charter as at April 30, 1941, and its assets and liabilities were taken over by the parent. The business is now operated as a branch.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross revenue	2,070,182	933,999
Less: Depreciation	101,657	51,469
Other deduct.	146,575	132,413
Tax provision	1,356,428	553,500
Net profit	465,522	196,17
Less: Pfd. dividends	67,572	67,218
Com. dividends	120,000	100,000
Surplus for year	277,950	29,399
Add: Prev. surplus	1,147,916	1,118,517
Surplus forward	1,425,868	1,147,916
Working capital	3,367,519	2,880,280

Balance Sheet Changes

	$	$
Inventories	2,024,133	1,148,105
Receivables	3,419,037	2,832,399
Contract advs.	205,216	......
Accts. payable	1,483,215	1,293,310

Gordon & Belyea

Gordon & Belyea Ltd., Vancouver wholesale hardware dealers and ship chandlers, reports surplus carried forward approximately $58,000 higher at $258,021 at Dec. 31, 1941, compared with $210,375 at the end of 1940.

Balance sheet shows current assets of $1.1 million, current liabilities of $595,660, leaving working capital at $505,000 compared with $446,705 a year earlier. Capital stock shows the last remaining second preference shares disappeared and first preference reduced from $125,500 to $121,400.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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TOWNSHIP OF SCARBOROUGH

Notice of Intention to Redeem Certain Debentures

To the Holders of Debentures of the Township of Scarborough, dated the 1st day of January 1940, and maturing in the years 1951 and 1952, both inclusive.

The Corporation of the Township of Scarborough. To the Holders of Debentures numbered:

805-28	1070-18G	1655-77	1732-8
842-25	1070-18H	1655-78	1733-12
846-25	1070-18I	1655-79	1733-13
847-25	1070-18J	1655-80	1735-66
891-23	1070-18K	1655-81	1735-67
900-23	1070-18L	1656-9	1735-68
961-21	1070-18M	1674-8	1735-69
986-35	1070-18N	1694-9	1735-70
986-36	1070-18O	1694-10	1735-71
986-37	1070-18P	1695-9	1735-72
990-20	1071-18	1707-8	1735-73
1003-19	1091-17	1724-8	1735-74
1007-19	1094-17A	1725-37	1735-75
1025-19	1094-17B	1725-38	1735-76
1045-18	1094-17C	1725-39	1765-11
1049-18A	1094-17D	1725-40	1765-12
1049-18B	1094-17E	1725-41	1766-13
1049-18C	1094-17F	1725-42	1766-14
1049-18D	1109-17	1727-23	1776-7
1067-18	1109-17A	1727-24	1777-24
1068-18	1161-17	1727-25	1777-25
1070-18A	1655-71	1727-26	1777-26
1070-18B	1655-72	1731-28	1777-27
1070-18C	1655-73	1731-29	1782-29
1070-18D	1655-74	1731-30	1782-30
1070-18E	1655-75	1731-31	1782-31
1070-18F	1655-76	1731-32	1782-32
			1782-33

Issued under Plan for the readjustment and reorganization of certain debenture indebtedness of the Corporation of the Township of Scarborough.

TAKE NOTICE that By-law No. 3108 passed on the 23rd day of March, 1942, pursuant to said Plan, the Council of the said Corporation has authorized and directed the redemption of the above numbered debentures on the 15th day of June, 1942. Upon presentation and surrender of each such debenture at the principal office of the Canadian Bank of Commerce, in the City of Toronto, on the 15th day of June, 1942, the person entitled thereto will receive payment of the principal amount thereof together with accrued interest to that day.

FROM and after the 15th day of June 1942, interest on the principal of the debentures so to be redeemed shall cease to accrue.

Dated at Toronto, Ontario, this 23rd day of March, 1942.

JAMES O. KESSACK,
Treasurer of the Corporation of the Township of Scarborough.

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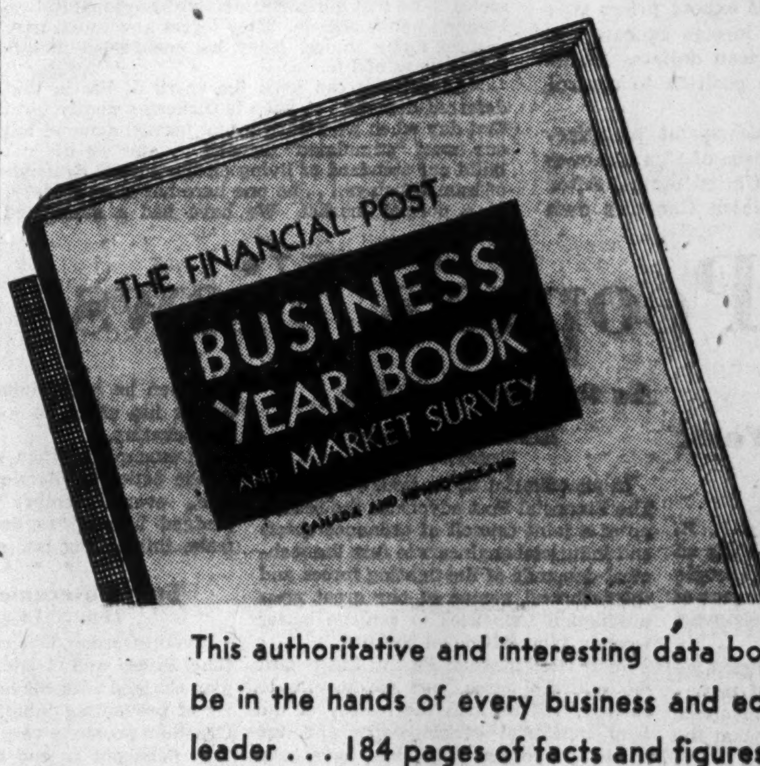

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The Editorial Page . .

Rationing Means Use Less

Hundreds of thousands of Canadians apparently have not the slightest conception of the real purpose of rationing. In gasoline and sugar, clothes and other commodities actually or reported getting scarce, they are bigger consumers today than before the war.

They fail utterly to understand that rationing is enforced or in prospect:

First to drastically reduce general consumption so that there will be no shortage for the armed forces and

Second, to make sure that any surplus over and above the needs of the armed forces is distributed equally among those civilian consumers most needing it.

There is nothing complicated about this situation. It is just as simple as the problem facing the host when several unexpected guests drop in for dinner. The helpings have to be smaller.

The casual motorist who is using as much gasoline today as he did a year ago, the man who stocked up with four or five suits before the March 25 deadline, the consumer who made no attempt whatever to obey the new sugar regulations; none of these are really being rationed at all. Unthinkingly or selfishly they are undermining the war effort.

Laws and an army of policemen cannot completely correct this situation. Success depends absolutely upon the loyal co-operation of every consumer. After all the latter must be the final judges as to whether or not he can further reduce his consumption of certain commodities. In most cases he can, in a few instances where essential work is at stake, he should not.

Quebec Ends Spending Spree

Quebec has recovered from a spending spree which left the provincial treasury in a sadly depleted state and threw one government out of power. For the year just passed Hon. J. Arthur Mathewson, K.C., announced with justifiable pride that the province had an over-all surplus. Moreover he told Quebeckers there would be no new taxes, several forms of taxation were to be remitted for the duration of the war, while the tolls on bridges—always a petty nuisance—were abolished. This is a splendid recovery. Some critic might say this showing resulted, in part, by the greatly increased revenues arising out of wartime conditions. That is true, but it is equally true that the government has made a sincere effort in controlling expenditures to a point where the province could live within its income and on that score is deserving of all credit.

Mr. Mathewson has gone much further than securing an over-all surplus of revenues over expenditures. He has placed the province's finances in much sounder position. A comparatively heavy floating debt has been reduced to negligible proportions. Nearly $5 millions have been added to sinking fund. There were no new borrowings last year. None is contemplated for 1942, or for that matter during the duration. "The province can and will live on its incoming cash," said Mr. Mathewson. It is a spirit of determination to live within one's means that has brought a restoration of Quebec's financial credit. And, it should be added, it is that spirit which helps immeasurably to enable the Dominion Government to lay its plans for the only thing that matters these days—furtherance of the war effort.

Unfriendly, Unjustified Interference

Through setting a limit or ceiling on the price which the importer may pay on foreign-made newsprint paper, the United States Office of Price Administration has effectively nullified an important feature of the Canadian price fixing policy. Moreover the O.P.A. has directly brought under its jurisdiction the Canadian newsprint industry or any other industry which is dependent in any way on the American market as an outlet for its products.

When Canada established a price ceiling, it was specifically stated the policy did not extend to export trade. The omission of export prices was deliberate. Canada needed all foreign exchange it could secure, especially American dollars. Moreover, Canada was not in the position to control prices on imports.

Last December Canadian newsprint manufacturers announced a price increase of $3 a ton over the base price on sales in the United States. After investigation of a sort, in which Canada's own Wartime Prices and Trade Board had to take a hand, the O.P.A. has blocked the proposal by giving it a 60 days' hoist. Later the O.P.A. may relent and allow the operators to advance a price which has remained unchanged for 51 months. But by freezing—for 60 days at least—the price in a market which depends upon Canada for 70% of its total supply, the O.P.A. has raised an issue of paramount importance.

In effect the O.P.A. has extended price fixing power into Canada. If it can do that in the case of newsprint, then there is no reason why it cannot do likewise on a host of other products shipped from this country to the United States. This is unfriendly and unjustified inteference in the affairs of a loyal neighbor.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

We Need Better Weapons

We need better weapons to win the war. As a result of Lieut. General McNaughton's visit to Canada, we now have an Army Technical Development Board to develop and test new weapon ideas, to improve existing weapons and to allocate research and development work among the agencies best fitted to handle it.

But this work of research into design, this work of development of the better weapons we need, must be extended to a continental scale. As Maclean's Magazine puts it, "To get such weapons we need to utilize the imaginative and technical genius which has created in North America the world's most efficient and powerful industrial machine."

The Italians, it is pointed out in Maclean's, have developed a propellerless airplane. The Germans in France are reported to be using a rocket device to get their interceptor planes into the air more quickly. In Libya, General Rommel used a mobile gun capable of knocking out our tanks before they could fire a shot. A German anti-tank gun, captured on another front, fires a small-bore projectile which pierces three inches of the toughest armor plate.

A North American Council of Design and Development for war weapons can help us to win.

Advertising's Role in War

In the mobilization of a nation's resources for winning the war, advertising has a definite and important role. That role was ably described by John H. Morse, of the U. S. Department of Commerce at a recent New York marketing conference.

Upon advertising, said Mr. Morse, the authorities must chiefly depend for success in the battle of industrial production. Through advertisements people learn of more and better ways to utilize machinery, of substitute products, of the saving of vital labor; in short, they get information that enables them to secure the very topmost output from the skilled labor and machines this continent possesses.

And another very special job was also stressed by Mr. Morse who stated:

"There is another job for advertising to do during the duration, while the shelves or the showrooms are empty of your goods. We hear talk of deferred demand that is going to leap out of the bush as soon as the cannons cease. One trouble with deferred demand, as far as we have been able to measure it, seems to be that when it is deferred too long, it dies. People's habits change. They forget how much they desired many things. They become rooted in different ways of life.

"Advertising can keep the spark of life in that deferred demand . . . keep it flickering gently until that day when we return to not normal demand but our usual "stimulated" demand . . . for we did not build our standard of living on the normal demands of human beings . . . no one here has ever operated in a normal market. We have had a stimulated demand economy throughout our lifetime . . . advertising has been the great stimulator, and now is no time to shut off that spark.

In total war, where all our energy must be concentrated in one gigantic effort, many peacetime frills and some near necessities have had to be discarded. But decidedly the printed word, in which advertising is a major partner, is not one of these.

Tell U. S. Our Story

Canada's war publicity in the United States is most inadequate. Yet there is no evidence that anyone at Ottawa is doing anything about it. Can this be because the matter is falling between different stools? If so, the Prime Minister could quickly get action by stating whose responsibility it is.

Until the United States entered the war, Canada "leaned backward" in information crossing the border, lest it be accused of trying to propagandize the United States into the war. Now the two countries are Allies and only good could come from providing machinery to supply the American people with those facts of Canada's war effort that they are hungry to get.

At the present time there is no machinery in New York or Washington able to cope with the problem of supplying facts to American newspapers, speakers, writers and radio commentators; answering their questions, and correcting them when they get off on the wrong track.

The isolationists, the Anglophobes and the friends of the Axis are busy circulating their version of Canada's war effort to Americans. We should have a well staffed bureau to tell the real facts.

Editorials in Brief

In the first few days after gasoline rationing, four cars out of five going downtown in the morning in most Canadian big cities contained the driver only. At the same time street cars were jammed, and more passengers were waiting at every stop.

No doubt the bulk of these one-to-a-car motorists considered themselves on essential business but they will be contributing much more to the war effort if they endeavor to combine with neighbors and make use of their full seating capacity.

* * *

"The pitfall which confronts any government of Canada at the present time is not the accusation of acting too drastically, but the suspicion of failure to mobilize the nation's resources in the most apt and most rapid way possible."—London Economist.

And that is the kind of spirit we need to win this war. Right from the start the Canadian people have taken every restriction without whimpering and the great majority of them have indicated again and again that they are prepared to make any sacrifice demanded by an all-out war.

* * *

One of the smartest industrial booklets to come out of the war has just been published by Otis-Fensom Elevator Co. Primarily it is a splendid job in company public relations and it will be of value as a guide to any other large firm engaged in war work.

Practically the entire booklet is devoted to illustrations of exceedingly well drawn posters, which emphasize in quickest form the vital importance of the war production at Otis-Fensom, the essential part played by the employee in that work, the government's wartime wage policy and that of the company.

* * *

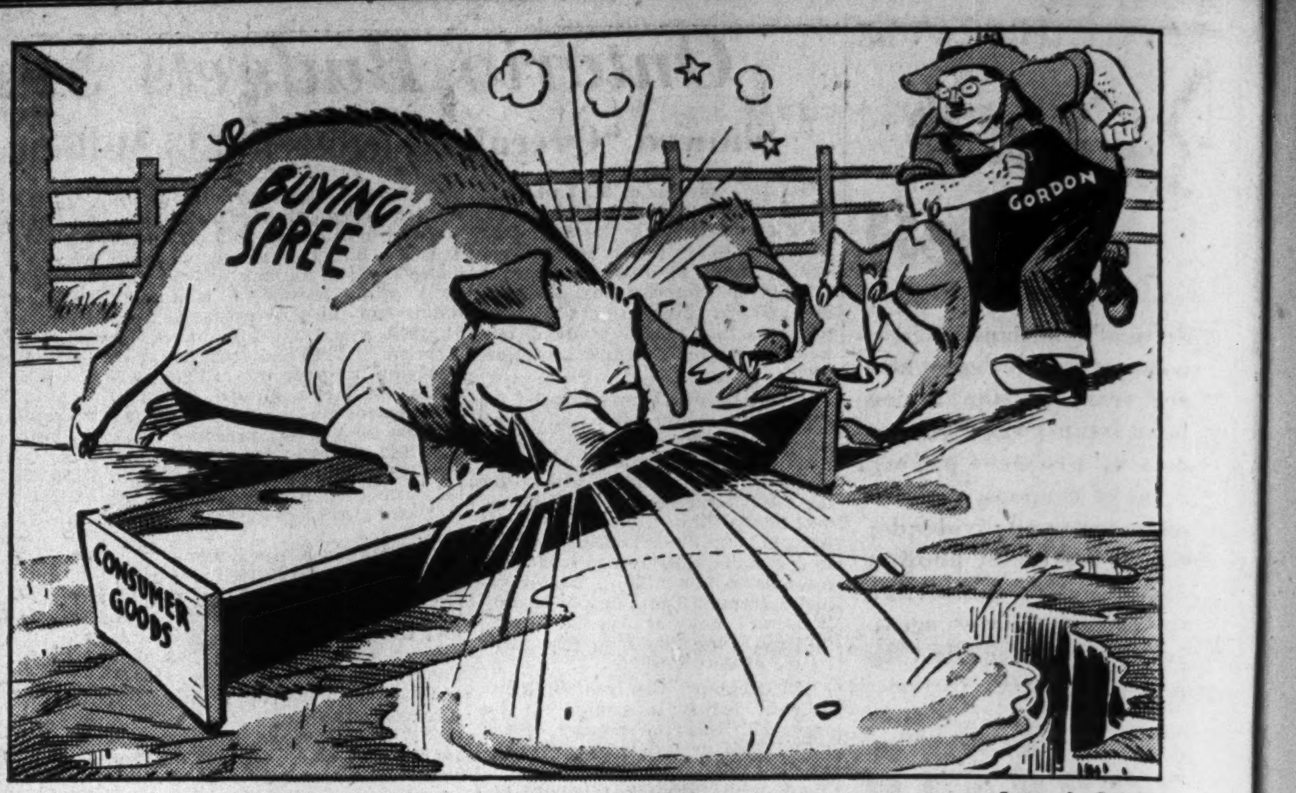
Recently Maxim Litvinoff, Russia's ambassador to the U. S., addressed a meeting of a Wall Street club. Calling for a "second front" to be opened up, he used Wall Street's language to get across his point. He said, "We are all like shareholders in a common enterprise. The only difference between us is that some of us hold fully paid-up shares and some have not yet paid for their stock in full."

The jibe riled a Britisher present. He turned to his table companion and said, "There's another difference, too. Some of us have held our stock from the beginning and have never sold short."

* * *

Aluminium Ltd. last year earned $14.3 millions and paid income and excess profits taxes of $31.4 millions, or $2.40 paid to governments for every $1 left for shareholders. In 1939, this same company earned $15.8 millions in net profit and paid $8 millions in taxes, or $2 for shareholders for each $1 for governments.

This is a remarkable but by no means isolated instance of failure of wartime earnings to keep pace with scale of activity and particularly to keep pace with wartime taxes. When it is further pointed out that 1941's smaller net profits was earned with land, plants and facilities valued at almost double the 1939 figure, even the most rabid adherents to the fallacy that industry is profiteering in this war must admit their arguments are answered.



—Cartoon by Grassick.

STOP THIS OR ELSE —

"A buying spree of serious dimensions has been going on for months. It is beginning to put a serious drain on some supplies. Drastic action will have to be taken unless people decide to act reasonably."—Donald Gordon, Chairman, Wartime Prices and Trade Board.

Post-Scripts . . . .

Man Power Controller

Friends of Elliott M. Little, new czar of Canadian man power, know that he reached the top the hard way.

The man who knew this best was the late R. A. McInnis whom Mr. Little succeeded last year as general manager and director of Anglo-Canadian Pulp & Paper Co. These two got to know each other in 1914 when Little was office boy at the Abitibi Paper Co.'s Iroquois Falls plant. Little was the first office boy on the company's payroll and as quick as he was tough. He remembers looking out of the window one day and seeing a long and a short man walking toward the office. He dubbed them "Mutt and Jeff." The tall man was W. H. (Bill) Smith, now assistant managing director of the company. The short man was Mr. McInnis. Little was then only 14. McInnis took a shine to him and when he became plant manager in 1916, took a personal interest in furthering Little's education both inside and outside the plant.

E. M. LITTLE
—Karsh Studio, Ottawa.

Little tried to enlist that year but since he was only 16 his dad yanked him out of the army. He got into the air force in 1918 and was training at Camp Borden when the peace came. Back he went to Abitibi where Mr. McInnis wanted to finance a university education for him. But the man who is now Canada's Director of National Selective Service was as independent as he was eager to learn. He preferred to pay his own way even though he had no money with which to do it. After one or two setbacks and a lot of hard slugging, he finally landed a degree in Electrical Engineering at Toronto University in 1925. No one worked harder for a rabbit's skin or was more appreciative of what he was doing. It changed and broadened his whole outlook on life.

Apart from the air force and the university, he stuck closely to Abitibi for 18 years. From 1917, he was the star pitcher of the Iroquois Falls baseball team which finally worked itself into championship form against Toronto Oslers for the provincial crown. He spent all the time he wasn't schooling, in the mill; held cards in two international labor unions—the Pulp Sulphite and Papermill Workers union and the Brotherhood of Electrical Workers. He became plant electrical engineer, assistant hydraulic engineer and in 1929, mill manager. When the company went into receivership in 1932, he lost his job.

It didn't take Bob McInnis long to get Little to Quebec after the Abitibi receivership. Mr. McInnis by this time was the boss in Canada of the big Rothermere newsprint properties at Quebec and at Gaspesia. He had long looked on Elliott Little as a "son"—one with all the qualities for business success. Looking back over the last ten years of their association, Little says today: "He drove the tail off me, but it was the best training a man could have."

One week end when McInnis had challenged Little's ability to get production schedules raised, he stayed on the property continuously from Thursday until Monday, snatching only an hour or two of sleep in the whole five days. McInnis had stung his pride as a production boss and Little wasn't going to take it lying down. In the end, the mill which had a rated capacity of 480 tons a day was upped to 630 tons. And when Mr. McInnis died last year, Elliott Little was put in complete charge of the Rothermere properties—Anglo-Canadian Pulp and Gaspesia Sulphite Co.

In 1941, he was asked by the government to become Director of the Wartime Bureau of Technical Personnel, organized to locate and catalogue engineering and technical brains for the war effort. He has carried this as a part-time responsibility since last February—an invaluable groundwork for his present work.

He has spent considerable time and effort studying the German approach to man power. A few weeks ago he discussed the problem (especially with regard to postwar implications) in a paper presented to the Engineering Institute at Montreal. He knows he has tackled a job where it is easy to make big and costly mistakes and that what is needed is "speed without haste." "We've got to be damn sure we know what we want," he says.

Elliott Little was born at Beachburg, Ontario, a little village between Pembroke and Renfrew, in 1900. His family moved to Haileybury three years later, in the days before the railway. In 1930 he married a girl he met at college, Elizabeth Dorothy Wilson of Seaforth, Ontario. They have four children. Now at Ottawa on a fulltime basis his services have been donated free of salary or expenses by his employers.

* * *

War Effort Means Extra

Since Elizabeth Gregory MacGill went to work designing airplanes for Canadian Car and Foundry Company at Fort William she has become well known throughout the country as an outstanding aeronautical engineer. Not so well known, however, is her remarkable gift of words.

E. G. MACGILL

The other day Miss MacGill was the luncheon speaker at the annual meeting of the West Algoma local council of women and it was there she gave her own definition of war effort. Here is the way she described it:

"You can see war effort at its best out there (at the aircraft plant) and by war effort I do not mean people going to the job every day and drawing pay at the end of the week. That is not war effort—that is simply earning a living. War effort is the extra contribution of the individual. War effort is a man staying and working an extra hour, or two, or five hours—without extra pay: it is a woman cutting short her noon hour to get back to finish the job: it is someone taking home his problems to solve them after dinner at night: it is someone coming back in the evening to finish an assignment. War effort is something which is as microscopic in the unit as the individual, but as mighty in the sum as an army. It is from this kind of war effort that the production figures of our plant result."

Miss MacGill graduated from the University of Toronto in electrical engineering in 1927. Her first job was with the Austin Motor Company at Pontiac, Mich. Shortly after Miss MacGill joined, the company went into aircraft production and Miss MacGill followed.

After some special study she went to Fairchild Aircraft at Montreal, then to Canadian Car in 1938. There she worked on Grumman fighting planes for Turkey and from 1940 on Hurricanes.

For Meritorious Service

Recent award of a gold medal to C. M. Mutch by the Dominion Council of the Navy League of Canada brings into the spotlight a man well known and well regarded throughout Canadian business and advertising circles.

The medal was given for outstanding service to the Navy League of Canada. That sort of thing is not new in "Charlie" Mutch's career. It took him into the R. N. V. R. in the the last war. He served as an officer, seeing action aboard the mysterious Q-ships, in both sail and steam, including a unique action with a U-boat on a Q-sailing ship which was built in Prince Edward Island about 60 years before the Great War began. For his war services, Lieut. C. M. Mutch was personally decorated by King George V with the Distinguished Service Cross.

C. M. MUTCH

Since those exciting days, Mr. Mutch has gathered a wide business experience and engaged with outstanding success in sales analysis and organization work. His intimate knowledge of Canada and its markets has helped to make him one of the most highly regarded advertising executives in the country and has enabled him to handle many outstanding advertising campaigns. He is now associated with Vickers and Benson Ltd., general advertising agents, of which organization he is director and Toronto office manager.

"Charlie" Mutch is a son of the manse and his father was the well-known minister of Chalmers Church, Toronto. He shows sporadic interest in such hobbies as curling and golf but has always had as his first love the interests of the Navy League of Canada. He has been associated with the Ontario Division of the Navy League of Canada for 20 years, serving in many capacities, in addition to being chairman of the finance committee and president for a two-year term. During that time he has worked devotedly for the cause nearest his heart.

Before the present war, Canadians generally were indifferent to naval affairs and their part in sea power. Charlie Mutch couldn't understand this indifference to adequate Canadian naval and merchant navy strength as a national necessity. He perceived how fast Canada's sea-borne exports were growing and he felt that, as an important exporting nation, Canada's trade should be protected by being carried in Canadian-built ships, manned by Canadian-trained sailors.

That his judgment was sound and his crusade justified is amply proved today. Now the merchant navy cannot have enough men and the current governmental advertisements for merchant ship ratings are a plain endorsement of the Navy League's policy

Those 20 years of service to the Navy League are now being fully recognized both by the incoming executive, who have endorsed the Mutch leadership in helping keep the League strong and influential, and by the Dominion Council which a few weeks ago awarded Mr. Mutch a gold medal in appreciation of the sterling work he has done for the League. C. M. Mutch continues to be associated with the League as national director of publicity and member of the Dominion Council Management Committee.

Other People's Views . . . .

The Canadian Editorial of the Week

The Plebiscite
Ottawa Journal

"God help Canada," says Mr. R. B. Hanson, if the April plebiscite fails to show a majority of the Canadian people in favor of relieving the Government of its pledges against conscription for overseas service.

The great enemies of an affirmative majority are, probably, lack of understanding of exactly what is involved, and a feeling in many quarters that the best way to express disapproval of the Government's course in taking this vote is just to ignore the whole thing. We may be sure the anti-conscription vote will be polled heavily, and if the outcome is unsatisfactory the reason may well be the indifference of those who hold that total conscription is essential to total war.

The importance of "getting out the vote" thus becomes clear, and this time there are no candidates to serve as rallying points, no party organizations with offices and funds and a keen interest in the balloting. This being the case, and the issue being of such tremendous importance to the security and future of this country, steps should be taken in every community to acquaint the people with the facts and to persuade the people to mark their ballots.

It is futile now to argue that the plebiscite should not have been ordered. We have to deal with a practical situation and not with a theory. The fate of the Government is not at stake—but the fate of Canada may be.

As Others See Us

Reward Inventors
Truro News

In an editorial in its issue of Mar. 21 The Financial Post advocates the setting up of a joint council of ordnance chiefs and industrial engineers to fuse the technical demands of the fighting forces and the technical genius of our great mass production industries to achieve better weapon types all down the line.

With The Financial Post in this regard we entirely agree, but we would go further. All through the history of the land industrial developments and the world's important inventions have been discovered by rank and file people in various stages of life. We are of the opinion that if the government were to offer substantial premiums to people who would come forward with plans and specifications for a better fighting machine or a better tool with which to carry on results would be obtained.

* * *

Does "Police" Mean "Gestapo"?
Barrie Examiner

A prominent heading in The Financial Post referred to the Wartime Prices Board as "Price Police," an expression that leaves with the public a very erroneous impression of the functions of the Board.

Mr. Gordon, chairman of the Board, has been given a most difficult task in his direction of this legislation which has for its object the prevention of disastrous inflation. His methods are not at all those of the Gestapo, which the expression above referred to might suggest, and if any evidence of this were required it can be seen in the fine co-operation he is receiving from consumers in his effort to keep prices from skyrocketing.

An example of such support is found in the action of Barrie Women's Institute, every member of which has pledged herself "to do her utmost to make this ceiling law effective."

* * *

Stop Government Waste
Montreal Gazette

Donald Gordon, Chairman of the Wartime Prices and Trade Board and the man charged with the heavy responsibility of preventing inflation, has told the Canadian people in very plain terms that they must put an end to what he calls, without exaggeration, a spending spree. He speaks for the government which, in the opinion of a great many people, is spending money on needless services, if not extravagantly. Here, surely, is an instance in which example is better than precept.

Shortly before Parliament adjourned for the Easter recess the Finance Minister gave the House of Commons what The Financial Post of Toronto regards as a frank and clear statement on war spending. He said that "we have made from the beginning a strong point of the principle that there would not be any politics in it."

That was a fair enough statement from a minister who has established a reputation for fairness, but what Mr. Ilsley said in regard to non-war outlays was, as The Post comments, far less reassuring. Here is the Hansard quotation: "I do not know about non-war expenditures. As a matter of fact I have not felt any particular obligation to go into that question as Minister of Finance, in regard to non-war expenditures. I presume that the normal practices prevail."

Since patronage was under discussion at the time, The Financial Post concludes, logically enough, that the minister was referring to patronage in his use of the words "normal practices," and the Toronto newspaper reminds Mr. Ilsley that he must take the responsibility for supervision of all expenditures. There is nothing at all unreasonable in this proposition. If Mr. Ilsley, as Finance Minister, does not insist upon the elimination of patronage from all expenditures, non-war as well as war, then no one else in the government will; and patronage and waste go hand in hand.

There is a strong and growing feeling throughout the country that too much public money, intended by the citizens for use in prosecuting the war, is going into the maintenance of peacetime departments and services which are not essential and which might well be shut down or discontinued until the war is over.

* * *

Make Them Work
St. Catharines Standard

The problem of what to do with 24,000 Japs being moved from the Pacific Coast is discussed by various authorities. The Financial Post asks if they should all be interned, the menace being fully appreciated.

The Post says they should not be moved to one section of the country and permitted to compete with local industry. Attorney-General Conant urges today that enemy civilians be conscripted for farm work and to make up for the great shortage in farm labor.

Perhaps it would be well to take a leaf from the Nazis' book to solve this problem. Goering urged Germans today to increase their farm production by every means possible and he does not intend to call farmers' sons back from the front line. He told the people that they must drive the foreigners and prisoners of war to the limit.

* * *

Helps to Comprehend
Moose Jaw Times-Herald

The Financial Post presents the more reasonable view of those who see the dollar side of the problem from the standpoint of public outlay. Those who always want more and more for wheat alone should be interested in the other phases of the policy that encourage other farm production, as well as in the dollar cost of farm assistance to the country.

These factors are presented by The Financial Post under the heading "Our Staggering Wheat Bill." It is only one view, but a look at it will help those who benefit to better comprehend the problem in its many aspects.

* * *

Stop Me If . . .

A comedian came on the stage in Berlin weeping and ejaculating.

"We are deprived of this and of that, no butter, no coffee, no soap, and all on account of that hound."

During the shocked silence that followed in rushed the Gestapo and hustled him off to the nearest police station. The comedian protested violently and said the police had made a mistake.

"Of course," he said, "I only had Churchill in mind, but who were you thinking of?"

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New Work for Rubber Plants

Hard Hit Industry Finds Switch-over Not Easy

By A. D. ELLWOOD

Probably no industry in Canada has been as upset since the first of 1942 as the rubber industry.

Because of drastic conservation measures to make our dwindling stocks of crude and reclaimed rubber last as long as possible, some plants have had to shut down entirely. Others are down to some 15% of their recent activity. Still others—and these are largely the major companies which are producing tires and tubes for airplanes, army cars and trucks—have felt only moderate impact as yet.

In the Kitchener district alone, upward of 2,000 workers are unemployed as a direct result of shutting off civilian output of such items as rubber footwear.

To find out what the situation was in this industry, so hard hit by wartime restrictions, The Financial Post has asked rubber manufacturers—large and small—a number of questions of this type:

1. What has restriction on output of civilian rubber goods meant to your plant?

2. Can your plant be readily switched to production of war goods, or what measures would be necessary to adapt existing equipment, plant and workers to other jobs?

3. What has been the effect of events of the past three months on your staff?

General Conclusions

The answers received make possible a few general conclusions:

In the first place, larger, and more diversified rubber companies, feel that there is war work they can do and that this work can be obtained.

All companies, even though still working actively on war orders, admit that they cannot expect this to continue more than a few months because of dwindling rubber supplies.

Rubber workers as a whole may be difficult to place in other positions where their abilities can be used effectively.

A solution for this industry is not simple. Reports indicate that efforts are being made to find new work for displaced rubber workers.

Ottawa has been asked to intervene and has managed to find an order for two million gas masks to be made in the Kitchener rubber plants, where upward of 2,000 workers had been affected. Other suggestions included the manufacture of army gliders in idle rubber factories and in plants of the furniture industry. Ottawa has stated anxiety to help and Hon. C. D. Howe promised government aid in getting new jobs for these workers.

At the end of 1940, the rubber manufacturing industry employed 14,279 workers and that year it paid $16.8 millions in salaries and wages. It employed $70.6 millions of capital. By the end of 1941, it is estimated employment has risen to between 15,000 and 16,000 with a corresponding gain in salaries and wages paid. This employment is probably already down at least 25% for the industry as a whole and in some sections to a much greater extent.

Busy on War Work

The head of one of the major companies reports his plant has been working at about 50% of its capacity on direct war work and that recent war demands were increasing with the result that about 70 to 80% of productive capacity is now devoted to war work.

This war work (special army vehicle tires, airplane tires, molded parts, etc.) required little change in plant facilities other than acquisition of special tools and dies for the specific articles. This company's switch to war work up to the middle of March had been along these lines and, so long as crude rubber or synthetic rubber, can be made available in sufficient quantities, no serious problem will be met in keeping the plant operating at a fairly high level of production.

Unfortunately, this man admits, it is likely that quantity supplies of crude rubber will be exhausted before supplies of synthetic rubber in quantity can be made available. This brings the possibility of drastically curtailed production, or a complete change in type of production to permit manufacture of lines for which rubber, or rubberlike materials, are not required. This would necessitate changes in the plant of a much greater nature than so far necessary.

Suggest Plastics

This plant can probably be considered typical of the major units in the industry. Its mill mixing and calendar equipment should be suitable for some forms of plastics or other synthetic materials. In addition, it has a great deal of specialized equipment such as hydraulic presses, large steam vulcanizers, heating and drying rooms. Some, or all of these, it is felt, could be readily converted for use in other lines of manufacture.

This man looked confidently to the possibility of undertaking plastic manufacture with only moderate alterations to much of his equipment.

Staff Cuts Made

To March 18, factory employment had been reduced by about 15%. Sales and distribution staffs had been even more affected and before the end of this year is likely to be cut in half, or perhaps even to 25% of present strength.

It is admitted that the special skills of rubber workers do not fit them particularly for other jobs but relatively little difficulty had been found to date in getting other jobs for discharged employees. This manager concludes:

"I am very hopeful, however, that it will be possible for us to take over enough war production of one kind or another outside our present rather specialized field which, when coupled with the expected growth of synthetic rubber productions, will reasonably maintain that production of our plant in the future."

Small Plant Hit Hard

Another manager, head of a smaller organization specializing on products entirely for civilian use and not making tires reports civilian production curtailed by over 85%, due entirely to government restrictions on rubber use. This company had been able to obtain only a small fraction of war work in spite of "the fact that our plant is readily adaptable to war productions."

This firm up to an early date in March, had laid off over 50 employees. The solution for the difficulty facing the business advanced by its general manager was:

"This problem can be solved by the equal distribution of war contracts for the various rubber parts on order by the government. We understand that the larger companies have many orders on hand that are really overtaxing their production and it would seem to the writer that the solution to this problem would be to distribute the orders among the companies at present not enjoying a volume of government business."

Footwear Makers

Another manufacturer who made a lot of rubber footwear said he was attempting to secure government orders to fill the gap left by a 70% curtailment of his normal business and that he hopes to be partially successful. He added that rubber footwear manufacturing facilities are not easily switched to other war production "as they have little more to offer than floor space and tables when there is no use for the rubber machinery."

This company would have had to curtail its production for civilian use even without rubber restriction. Even on the 30% production quota prevailing early in March the company had trouble obtaining enough cotton sheetings.

This company made rubber clothing and a few minor lines for some years past in addition to rubber footwear. Under peace conditions, its present staff (mid-March) would have been about 800 and it then numbered 600, of which about half were working on war orders of some kind. Only a small percentage of factory employees could be considered skilled labor but little information is available as to the success of discharged workers in finding new employment in that area. It was pointed out that there was a shortage of domestic and farm labor at least but "we believe some of the labor is not interested in doing farm work."

Office staffs had also been reduced but for the most part new employment had been found. The sales staff had been worst hit as "we need very little sales force to sell the limited amount of footwear we have to offer. We are attempting to get other lines for our salesmen so that we will have at least part of our organization when there are no longer restrictions on rubber manufacturing."

Head of one of the largest rubber manufacturing companies reported that his company was running about 95% on government business and that "profits or the possibility of profits are shrinking."

Strong efforts had been made to accumulate a large stock pile of crude rubber over the past year but ever-growing military demands had kept stocks from growing nearly as fast as they otherwise might have done and civilian business, including export, had been left in the lurch. This man concluded that:

"Rubber factories and rubber manufacturing machines do not lend themselves very well to the manufacturing of any other class of goods that I know of, unless factories are dismantled entirely for handling rubber goods, and, with rubber being such an essential commodity for war work, the dismantling plants and turning over to manufacture of other goods is almost an impossibility."

The Week in Business

Most significant of new business statistics available this week is the fractionally higher cost of living index, up 15% from August, 1939, to March, 1942. Latest increase is stated to be due entirely to foods, with butter, meats and fish, potatoes and bananas higher, while eggs and lemons declined moderately.

Cost of Living Index continues its creeping advance to 115.9 for March compared with 115.7 for February and 115.8 for December when the price ceiling first took effect.

Employment shows a decline from 165.8 for January to 165.4 for February for all industries. Compared with a year ago, there is a rise of 20.2 points.

Payrolls are rising faster than employment and the index for February recovered most of its holiday decline to 118.5 for the latest date, up 18.5 since June 1 last.

Construction contracts awarded in March this year at $17.9 millions were almost $4 millions above the same month a year ago but for the first three months of this year the total is 36.0% below the corresponding quarter of 1941.

Flour production in February was about 100,000 bbls. over the same month of 1941 and for the first two months a gain of 18.9% is reported.

Coal production and imports for the first two months of 1942 are both higher, the former 9.5% and the latter 71.2%, with February figures showing the upward trend continuing.

MONTHLY INDICES

	Mar.	Feb.	Jan.	Dec.	Year Ago
The Financial Post business index	....	*169.2	168.0	166.6	154.8
National Income, D.B.S.•	....	....	....	456.4	418.9
Dom. war expend.•	....	132.9	145.2	124.4	82.7
Dom. total revenue•	....	109.7	120.5	111.5	80.0
Dom. total expend.°	....	163.7	184.6	168.0	105.5
■Retail sales index no.	....	154.5	150.9	147.2	130.6
Dept. store sales index no.	....	141.1	151.1	145.8	126.1
Wholesale sales index no.	....	....	132.3	137.4	106.2
Country store (% change pr. yr.)	....	....	+20.5	+14.4	+2.4
Divd. payment index♦	121.4	121.4	121.3	120.3	121.0
COST OF LIVING—					
■D.B.S. index	115.9	115.7	115.4	115.8	108.2
EMPLOYMENT INDEX Nos. D.B.S.—					
■All industries	....	165.4	165.8	168.8	135.2
■Manufacturing	....	191.2	187.1	188.4	147.4
■Payroll (June 1/41=100) (b)	....	118.5	112.3	119.5	....

	1941-42	1940-41	Jan. 1 to date 1941-42	Jan. 1 to date 1940-41	% Change
RAILWAYS—					
■Carloadings (week Mar. 28)	62,369	57,516	797,293	700,339	+13.8
■C.N.R. gross (week Mar. 31) $	9,088,000	7,933,000	79,623,000	64,698,000	+23.1
■C.P.R. gross (week Mar. 31) $	6,980,000	5,569,000	58,364,000	45,412,000	+28.5
C.N.R. net revenue (Feb.) $	3,644,440	2,609,117	8,801,552	5,759,511	+52.8
C.P.R. net revenue (Feb.) $	3,014,013	2,608,569	6,198,076	5,274,331	+17.5
IRON AND STEEL—(February)—					
■Pig iron production (tons)	143,973	102,104	307,129	217,559	+41.2
■Steel ingots and castings prod. (tons)	242,921	193,408	501,937	402,067	+24.8
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Jan.)	6,043	5,733	......	......	+5.4
Factory output ... (Feb.)	3,989	10,647	8,238	22,637	—63.7
Trucks and Buses:					
Domestic sales ... (Jan.)	3,043	2,274	......	......	+33.8
Factory output ... (Feb.)	16,192	13,063	33,694	24,268	+38.9
Financing:					
Used ... (Jan.) $	1,675,898	2,452,366	....	....	—31.7
New ... (Jan.) $	1,623,444	2,168,043	....	....	—25.1
CONSTRUCTION—					
■Contracts awarded . (Mar.) $	17,850,400	13,991,900	41,783,500	65,276,300	—36.0
Cement prod., bbls. (Dec.)	369,000	294,000	8,357,000	7,560,000	+10.5
AGRICULTURE—					
■Flour prod., bbls. . (Feb.)	1,584,978	1,462,187	3,140,828	2,639,556	+18.9
Flour exp., bbls ... (Feb.)	1,056,348	606,757	1,806,711	961,575	+87.9
Wheat exp., bush. .. (Feb.)	5,424,327	9,459,594	16,569,135	14,339,674	+15.5
Cattle sales▲ ... (Feb.)	76,861	68,750	187,137	152,457	+22.8
Hog sales▲ ... (Feb.)	507,817	511,468	1,102,732	1,043,727	+5.6
SEA FISHERIES—‡					
Catch cwts. ... (Feb.)	1,044,800	317,300	....	....	....
Landed value ... (Feb.) $	788,800	462,400	....	....	....
NEWSPRINT—					
Production, tons ... (Feb.)	278,101	245,607	590,005	506,905	+16.4
Exports ... (Feb.)	14,248,000	10,324,000	26,913,000	20,087,000	+34.1
MINING AND OILS—					
■Coal prod., tons .... (Feb.)	1,693,471	1,501,939	3,591,425	3,279,802	+9.5
■Coal import, tons .. (Feb.)	843,256	508,412	1,776,869	1,037,982	+71.2
Gold rec., fine oz. . (Jan.)	442,038	461,602	....	....	—4.2
Crude oil, imp. gals.† (Jan.)	88,896	55,197	......	......	+61.1
ELECTRIC POWER OUTPUT—(February)—					
Total monthly, 1,000 kw.h.'s	2,842,463	2,407,068	6,068,752	5,041,763	+20.3
FOREIGN TRADE—♦					
Imports ... (Feb.)	$119,555,851	89,631,628	261,682,435	188,014,090	+39.1
Exports ... (Feb.)	$168,196,861	100,524,150	320,504,298	189,476,809	+69.1
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ... (Feb.)	128,978	151,941	232,421	316,833	—26.7
Shoes, prod., pr. ... (Jan.)	2,463,947	1,901,085	......	......	+29.5
Cotton consump., lb. (Feb.)	16,702,248	16,603,876	33,535,704	32,283,458	+3.8
Raw rubber imp. lb. (Jan.)	434,266	14,093,037	......	......	—96.9
Cigarette cons.. No.† (Feb.)	775,737	556,519	1,523,470	1,180,090	+29.0
Sugar manufactured .. .b §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† ... (Feb.) $	2,892,864	2,540,182	6,123,653	5,481,286	+11.7
Bond sales† ... (Feb.) $	90,092	115,573	180,418	197,260	—8.5
Life insurance sales (Feb.) $	39,357,000	31,500,000	82,438,000	59,826,000	+37.8

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. °Final. ♦Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Investment Securities

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Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

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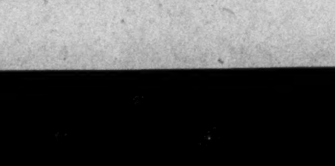
The LORD ELGIN

RATES Single $2.50 to $3.50
NO HIGHER

Construction in March Up 27% Over Year Ago

Construction contracts awarded in Canada during March totalled $17,850,400, up 27% over March, 1941, according to MacLean Building Reports Ltd. Large jobs accounted for 63% of the total with 50 of these amounting to over $11 millions.

The public and business building group had awards to the value of $5.2 millions, industrial had $5.1 millions, residential $4.6 millions and engineering $2.8 millions.

Total of contracts for the first three months of 1942 were down 36% from the same period of 1941, but up 29% over the first quarter of 1940.

March construction contracts exceeding $50,000 were as follows:

	$
Shawinigan Falls, Que., pot r'ms	1,500,000
Montreal, Que., storage	1,250,000
Arvida, Que., 250 houses	1,100,000
Lauzon, Que., berths	663,000
Vancouver, B.C., hospital add'n.	550,000
Beauharnois, Que., tail race	550,000
Hamilton, Ont., plant add'n	450,000
Beauharnois, Que., dredging channel	400,000
Calgary, Alta., hospital	400,000
Seymour Narrows, B.C., dam and dredging	375,000
Noranda, Que., drying plant	250,200
Leaside, Ont., plant add'n.	225,000
Greenwood, N.S., hangars	200,000
Minto, N.B., power plant add'n.	155,000
La Tuque, Que., plant add'n.	150,000
Moose Jaw, Sask., hangars	150,000
Montreal, Que., sewers	141,000
Orillia, Ont., plant add'n.	125,000
Souris & Hartney, Man., two watermains	125,000
Montreal, Que., plant add'n.	110,000
Laviolette, Que., two storage dams	103,600
Swift Current, Sask., hangars	100,000
Crowland Twp., Ont., plant add'n.	100,000
Hagersville, Ont., accomdn.	100,000
Trenton, Ont., hangars	100,000
Brantford, Ont., hangars	100,000
Leaside, Ont., factory add'n.	100,000
Portage la Prairie, Man., accommodation	100,000
Howe Sound, B.C., plant add'n.	100,000
Greenwood, N.S., accommdn.	100,000
Brandon, Man., camp bldgs.	90,000
Toronto, Ont., plant add'n.	85,000
Longueuil, Que., water conduit	83,900
Thurso, Que., plant add'n.	83,000
Trenton, Ont., accomdn.	80,000
Toronto, Ont., building add'n.	80,000
Kingston, Ont., accomdn.	75,000
Toronto, Ont., plant addn.	75,000
Toronto, Ont., factory add'n.	75,000
East St. John, N.B., machine shop	75,000
Montreal, Que., factory add'n.	75,000
Cadomin, Alta., coal plant	65,000
Kingston, Ont., shipbldg. plant	61,000
Galt, Ont., factory add'n.	60,000
Fort Erie, Ont., fire protection	60,000
Montreal, Que., boiler shop alts.	56,000
Renfrew, Ont., factory	55,000
Farnham, Que., camp buildings	50,000
Montreal, Que., cabaret alts.	50,000

On the Record

Chain link fence production will be stopped on April 30 and no sales will be made by the fabricators after May 31. (M. & S. No. 782).

250,000 feet of lumber, or the equivalent of one shipload, can be cut by Canadian lumberjacks in one day. (M. & S. No. 783).

Gauges or cutting tools may not be purchased from any place outside of Canada, according to an order issued by Thomas Arnold. (M. & S. No. 784).

United States tourists, who remain in Canada for 48 hours or less, will be allowed enough gasoline to travel about 350 miles. (M. & S. No. 780).

High speed steel, carbon tool steel, or alloy tool steel imports from the United States are prohibited except under license. (M. & S. No. 787).

George S. Gray appointed Transit Controller. Jules Archambault, Montreal, appointed deputy Transit Controller. (M. & S. No. 191).

Beverage and brewing companies' comprehensive distribution systems may be curtailed in order to conserve motorized equipment.

The 50 million pounds of scrap rubber needed for Canada's war needs represent 2.5 million passenger tires.

10 pounds of glycerine for making nitro glycerine and about 90 pounds of soap for civilian consumption are turned out by Canadian manufacturers out of each 100 pounds of animal and vegetable fats used.

300,384 persons were assessed $52,378,534.48 in income taxes for the fiscal year 1940-41, according to a statement made by Hon. Colin Gibson in the House of Commons.

Over one billion pounds of aluminum, copper, zinc, nickel, and lead are shipped annually to Britain.

$60 millions worth of machine tools have been purchased and distributed by Citadel Merchandising Co. Ltd. since the company started.

Appletine Products Ltd., Vernon, B.C. are building a new vegetable dehydrating plant to handle Okanagan Valley products. When in full operation 120 tons of raw products can be handled every 24 hours. Only 30 seconds elapses between the time the raw product enters the plant until it emerges in a marketable form.

7.5 million articles of clothing and 16.2 million yards of textiles were purchased by the Dept. of M. & S. for the armed forces during the final quarter of 1941.

Man Power Policy Affects Aluminum

From Our Own Correspondent

MONTREAL.—Seeing in farm service a haven from military service, a large number of workers at the Arvida plant Aluminum Co. of Canada have left the company's employ since the government announcement of its man power policy. At the same time, the Foundation Co. of Canada, which is carrying out the huge Shipshaw development for the Aluminum Co., reports a somewhat similar situation.

The labor turnover was so great, due to misunderstanding of selective service regulations, that the company has posted in the Arvida plant a telegram from Labor Minister Mitchell explaining the conditions under which farm laborers will be exempt from military service.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches: These facilities are at the disposal of our clients at any of our offices:

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LIMITED
Business Established 1889
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TO ensure continued security for your family, your executor must be a competent investor, and he must have time to spare from his own affairs to look after your estate. National Trust Company has a well-organized and efficient investment department to assist the management in supervising and safeguarding the investments of your estate.

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Write for free booklet "Security for your Family"

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COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

"TELLS the Story!"

THAT'S the opinion of a furniture dealer in rural British Columbia, replying to a question about the Family Herald and Weekly Star.

"Every time," he continues, "a Family Herald reader picks up the paper and sees an advertisement, it helps me sell those goods. In fact, half the selling has been done if the article is advertised in the Family Herald. We can't tell them much more about it after they've seen the ad."

WHAT this dealer says can be repeated by other dealers who are serving the Canadian farmer and his family. Their opinions are food for thought for every advertiser who is anxious to make his sales dollars do a real job in the Family Herald market — 300,000 top-income farmers from coast to coast.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

How persistent should a life insurance agent be?

"HOW PERSISTENT should I be?" is a question that plagues every conscientious life insurance agent.

Years ago, it was much harder to answer that question than it is today, for the agent's efforts to sell life insurance met with more resistance. Even now, however, it remains a problem.

▶For example, perhaps an agent is trying to sell a policy to a man who has a wife and two children but little or no life insurance. He isn't much interested. The agent visits him several times, but each time he says, "No!"

Should the agent cross this head of a family off his list? Should he give up trying to persuade him that his family needs some life insurance? Or should he call again?

▶If the agent does try again, this man whose family really *needs* protection might say, "Tell that agent I don't want to see him again. I'm not interested . . . he's wasting his time!" On the other hand, the next call might be the time when he would say, "Yes."

▶Suppose the agent makes that next call — and receives the answer, "Yes." Then suppose something happens. The family of this new policyholder will not be left without funds and the widow will not have to depend on relief or relatives, or go to work, or take the children out of school.

Many seasoned life insurance agents have had such an experience — and it is a lesson they never forget. It explains why conscientious agents, like crusaders in every good cause, are loath to take "No" for an answer. It explains, too, why many Canadians have the life insurance they now own; some agent, through repeated calls, helped them to buy the kind and amount of life insurance they should have.

▶Every life insurance agent knows that there is one group of people who never criticize an agent for being too persistent. They are the beneficiaries of the men who finally said, "Yes."

This is Number 48 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 6

Range 1942 High	Low	Div R'te $	Apr4 Y'ld %		Sales	Last Mar. 30	Week end. Apr. 6 H	L	Cl'se
				A					
.75	.40	*	...	Abitibi	1100	.65	.65	.60	.60
7	4½	*	...	Do. pref. 6%	925	5½	6	5½	5½
13	6	*	...	Do. pref. 7%	....	(6¼ bid 14 asked)			
3	3	*	...	Acme Glove	....	(3 bid — asked)			
60	50	6.50	13	Do. pref.	....	(— bid — asked)			
18⅞	14½	1	6.4	Ford Motor A.	809	15½	15½	15½	
17	15	1	6.7	Do. (B)	....	(15¼ bid — asked)			
.15	.15	*	...	For. Pr. Secs.	....	(— bid .25 asked)			
16¼	13	1+50c	10.7	Foundation C.	....	(— bid 14½ asked)			
13	7	*	...	Fraser Cos.	25	7	10	10	
13½	10	*	...	Do. Vot. Tr.	325	10	10	10	
.50	.50	*	...	Freiman	....	(.50 bid — asked)			
†55	41	‡4.50	...	Do. pref.	....	(50 bid — asked)			
6	4½	60c	10.9	Gatineau Pwr.	21	5½	5½	5	
74	65	5	7.7	Do. pref.	25	66	66	65	

Oil Quotations

Par Val.	Range 1942 High	Low	Company	Sales	Close Mar. 30 (or last)	High for week	Low for week	Close Apr. 6
1	.07	.05½	Alta. Pac. Cons.	......	(.05½ bid	.07 asked)		
No	.55	.40	Anglo Canadian	......	(.36 bid	.40 asked)		
No	.03	.02½	Anaconda	......	(.02½ bid	.... asked)		
No	.25½	.19	Brit. Dominion	1,100	.23	.25½	.25	.25
No	*.07½	.05	Brown Oil	......	(.... bid	.... asked)		
No	1.17	.95	Calgary & Ed.	400	.95	.95	.95	.95
1	.17	.10	Calmont	2,500	.10	.12	.12	.12
No	.23	.17½	Commoil	1,000	.17½	.17½	.17½	.17½
No	.28	.24	Commonwealth	......	(.20 bid	.26 asked)		
No	.22	.15	Dalhousie	......	(.15 bid	.... asked)		
No	.16½	.12	Davies Pete	......	(.14 Mar. 24)			
No	.02½	.02½	East Crest	......	(.... bid	.... asked)		
No	*.36½	.21	Federated Petroleum	......	(.... bid	.... asked)		
No	.85	.70	Foothills	......	(.60 bid	.... asked)		
No	.20	.12	High Sarcee	1,000	.15½	.12	.12	.12
No	2.67	2.30	Home Oil	365	2.38	2.40	2.30	2.35
No	.01½	.00¾	Madison	2,100	.01½	.01	.00¾	.01
No	.01½	.01	Marjon Oil	1,000	.01½	.01	.01	.01
No	.04½	.02½	McD. Segur Ex.	......	(.02½ bid	.03½ asked)		
No	.04½	.03½	Mercury	2,000	.04	.04	.04	.04
No	.07	.06	Mill City Pete	......	(.05 bid	.... asked)		
1	.20	.15	Model	......	(.15 bid	.... asked)		
25c.	.04	.04	National Pete	......	(.04 bid	.04½ asked)		
1	.03	.03	Nordon	......	(.03 bid	.... asked)		
No	.40	.25	Okalta	300	.25	.25	.25	.25
No	.03	.03	Pacalta Oil	......	(.02½ bid	.... asked)		
1	.25	.15	Pacific Petroleums	1,000	.15	.25	.25	.25
No	.05½	.03½	Royal Canadian	2,500	.03½	.03½	.03½	.03½
No	†.10½	.06	Royal Crest	......	(.... bid	.... asked)		
No	18.63	16.25	Royalite	......	(16.00 bid	.... asked)		
No	.05	.03½	South End	......	(.03½ bid	.04½ asked)		
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	*.05½	.02½	Spooner	......	(.04 bid	.05½ asked)		
25c.	.09½	.08	Sunset Oil	......	(.... bid	.... asked)		
No	.04¾	.03½	United	......	(.03½ bid	.04½ asked)		
No	.04	.04	Vanalta	1,000	.04	.04	.04	.04
1	.20	.15	Vulcan	......	(.... bid	.15 asked)		

* Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from Mar. 30 to Apr. 4)

	Sales	High for period	Low for period	Close Apr. 4
Beaver Lumber, c.	50	3.00	3.00	3.00
Great-West Life	10	200.00	200.00	200.00
Marvel Oils	†,000	.02	.02	.02
Northern Trusts	100	7.00	7.00	7.00
Sovereign Life	40	11.50	11.50	11.50
United Grain Growers	4	12.00	11.50	11.50

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	4⅛
Beav. Lumber, p	100¾	..	Home Invest.	25¼	..
Can. Indemnity	150	..	Nor. C. Mtge. un	5½	..
Corr. P. Box	.60	..	Traders Bldg.	44	..
Cres. Cream., p.	..	12	West. Brew.	1⅞	2⅛
Dom. Envel., c.	..	9	West. Grain, p.	..	7
Dom. Envel., p.	96	97	West. Steel	6	8¾
Fed. Grain, c.	.35	1¼			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 7	8,800	7,700	179,000	......
Apr. 6	Holiday			
Apr. 4	2,300	1,300	66,000	8,845
Apr. 3	Holiday			
Apr. 2	8,100	2,200	118,000	6,450
Apr. 1	6,800	9,900	104,000	11,450

†Western Grain	6	'49	67½	70½	67½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Apr. 7, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.00	112.00	3.28
Montreal	5	1943	92.00	.....	...
Ottawa	4½	1943	104.75	106.25	2.45
†Quebec	5	1959	109.00	112.00	4.17
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.75	103.75	2.98

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.79	1.96
Can. Amer. Trust	2.75	3.50
Can. Inter. Trust	3.60	4.40
Can. Invest. Fund	2.90	3.25
Corporate Investors	5.19	5.60
Trans-Canada	8.45	9.30

Annual Meetings

Apr. 17—Noranda Mines .... Toronto
Apr. 18—George Weston .... Toronto
Apr. 20—H. Smith Paper .... Montreal
Apr. 20—Steel Co. of Can. ...... Hamilton
Apr. 21—Asbestos Corp. .... Montreal
Apr. 21—Ault & Wiborg .... Toronto
Apr. 21—Canada Malting .... Montreal
Apr. 22—Canada Steamship .... Montreal
Apr. 22—Canadian Breweries* ... Toronto
Apr. 23—J. A. Lang & Sons .. Kitchener
Apr. 23—Montreal Tramways ... Montreal
Apr. 23—London Can. Invest. ... Montreal
Apr. 24—Hudson Bay Mining ..... Toronto
Apr. 24—Industrial Acceptance .. Montreal
Apr. 24—Price Bros. & Co. .... Quebec
Apr. 24—Waite Amulet Mines .... Toronto
Apr. 27—Canadian Marconi ..... Montreal
Apr. 29—Dome Mines .... Toronto
Apr. 29—Intnl. Nickel Co. ...... Toronto
Apr. 29—N. S. Light & Pwr. ...... Halifax
Apr. 29—Western Grocers ...... Winnipeg
Apr. 30—Beattie Gold Mines .... Toronto
Apr. 30—Sigma Mines (Que.) .. Montreal
May 6—Jamaica Pub. Service .. Montreal
May 6—Can. Pacific Railway .. Montreal
May 18—Credit Fon. Franco-Can. Montreal

*Annual and special.

Mining Dividends

	Rate	Apr. 6	Yield %
Anglo-Huronian	▴10c	1.85	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.03	15.5
Bayonne	†1c	.03	..
Beattie Gold	16c	.66	24.2
Berens River	3c	.65	..
Bralorne	80c+40c	7.40	*16.2
Broulan Porc.	12c	.37	..
Buffalo Ankerite	▴30c	1.80	..
Bulolo Gold	$3	6.50	..
Can. Malartic	8c	.30¼	..
Cariboo Gold	16c+4c	1.00	*17
Central Patricia	16c+4c	.96	*20.8
Chesterville	15c	1.05	..
Cochenour Willans	6c	.50	12
Coniagas	▴17½c	1.05	..
Coniaurum	16c	.67	23.9
Cons. Smelters	$1+$1.50	38.25	6.5
Delnite	▴6c	.40	..
Dome Mines	$1.20	12.00	..
East Malartic	5c	1.40	..
Falconbridge	20c	3.00	..
Francoeur Gold	▴4c	.22	..
Gold Belt	▴2c	.14	..
Grandview	▴1½c	.16	..
Grull Wihksne	†.00½	.02	..
Hallnor	40c	2.00	20
Hard Rock	▴8c	.37	..
Hedley Mascot	8c	.26	..
Hollinger	65c+45c	7.65	*14.3
Howey Gold	▴4c	.15	..
Hudson Bay	$2	25.00	8
Inspiration	▴2c	.20	..
Inter. Nickel, com.	$2	32.00	6.2
Island Mountain	▴18c	.96	..
Jason	4c	.16	..
Kerr-Addison	5c	3.40	..
Kerr Lake	5c	.50	..
Kootenay Belle	▴8c	.16½	..
Lamaque Gold	40c+15c	3.15	*17.4
Lake Shore	80c	7.40	10.8
Leitch	8c	.45	..
Little Long Lac	▴20c	.93	..
Macassa	32c+3c	2.30	*15.2
Madsen R. Lake	▴3c	.45	..
Malartic Gold	10c	1.33	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.66	18.4
Moneta	8c	.25	..
McIntyre-Porc.	$2.22+$1.11	39.00	*8.5
MacLeod-Cockshutt	10c	1.20	..
Naybob Gold	4c	.15	..
Negus	2½c	.32	..
Nipissing	15c	.86	17.4
Noranda	$4	43.50	9.2
North Empire	▴40c	3.75	..
O'Brien Gold	3c	.58	..
Pamour Porc.	18c	.60	..
Pato Cons.	20c+2c	2.00	*11
Pend Oreille	†6c	1.30	..
Perron Gold	16c+4c	1.15	*17.3
Pioneer, B.C.	40c	1.49	27
Pickle Crow	30c	1.80	16.6
Placer Develop.	$1.20	8.37	14.4
Premier	8c	.38	21
Preston E. Dome	20c	1.85	10.8
Privateer Mines	12c+4c	.29½	..
Quebec Gold	2c	.20	..
Reno Gold	20c	.21	..
San Antonio	14c+6c	1.51	*13.1
Sheep Creek	16c+1c	.70	*24.2
Sherritt Gordon	10c	.75	..
Sigma Mines	30c	4.80	..
Silbak Premier	16c	.60	26.6
Siscoe	8c	.37	21.6
Sturgeon River	2c	.11	..
Sudbury Basin	2½c	1.30	..
Sullivan Cons.	▴8c	.52	15.4
Surf Inlet	▴2c	.06	..
Sylvanite Gold	20c	1.30	15.3
Teck-Hughes	40c	1.73	23.1
Toburn	12c+4c	.80	*20
Upper Canada	▴14c	.75	..
Ventures	▴20c	3.20	..
Waite Amulet	40c	4.10	..
Wendigo	3c	.13	..
Wright-Harg.	40c+20c	1.95	..
Ymir Yankee	▴2c	.03⅛	..

▴Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, p.	$1.37½	May 1	Apr. 15
Ang. Can. Tele., p.	68¾c	May 1	Apr. 15
Beatty Bros. 1st pf.	$1.50	May 1	Apr. 15
Bralorne Mines	20c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Bell Telephone	$2	Apr. 15	Mar. 23
B. C. Power, A	50c	Apr. 15	Mar. 31
Brant Cordage, p.	32½c	Apr. 15	Mar. 20
Brew. & Distillers	▪50c	May 20	Apr. 30
Do., extra	▪10c	May 20	Apr. 30
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Biltmore Hats	15c	Apr. 15	Apr. 9
B. C. Tele., 2nd pf.	$1.50	May 1	Apr. 16
Calgary & Edm.	5c	May 15	Apr. 15
Can. Nor. Pwr.	▪15c	Apr. 25	Mar. 31
Do., pref.	▪$1.75	Apr. 15	Mar. 31
Can. Min. Eq., c. pf.	10c	Apr. 15	Mar. 3
Canada Iron	$3	Apr. 15	Mar. 31
Do., pref.	$3	Apr. 15	Mar. 31
Can. Bk. of Comm.	$2	May 1	Mar. 31
Can. Gen. Invest.	▪12½c	Apr. 15	Mar. 31
Can. Tube & Stl., p.	$1.50	Apr. 15	Apr. 8
Canadian Oil, c.	25c	May 15	May 1
Canadian Car, pfd.	44c	Apr. 10	Mar. 20
Can. Converters	50c	Apr. 30	Mar. 28
Cockshutt Plow	25c	June 18	June 4
Confederation Life	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Indust's., A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Cochenour Willans	3c	Apr. 20	Apr. 1
Com. Alcohols, c.	5c	Apr. 15	Mar. 31
Com. Alcohols, pfd.	10c	Apr. 15	Mar. 31
Coll'gwd Term. p., c.	*25c	Apr. 20	Apr. 10
Can. Bronze	37½c	May 1	Apr. 10
Do., pref.	$1.25	May 1	Apr. 10
Can. Fairbanks, p.	$1.50	Apr. 15	Mar. 31
Can. Marconi	4c	June 1	Apr. 15
Can. W. Nat. Gas	$1	Apr. 23	Apr. 20
Can. For. Invest., c.	70c	May 1	Apr. 15
Crown Life	3%	Apr. 1	Mar. 31
Dominion Bank	$2.50	May 1	Apr. 15
Dist. Seagrams, p.	†$1.25	May 1	Apr. 15
Dome Mines	▪40c	Apr. 20	Mar. 31
Dominion Tar, p.	$1.37½	May 1	Apr. 15
Dom. Textile, p.	$1.75	Apr. 15	Mar. 16
East. Steel Prod., c.	25c	June 1	May 15
Famous Players	25c	Apr. 27	Apr. 11
Foundation Co.	25c	Apr. 18	Mar. 31
Do., extra	25c	Apr. 18	Mar. 31
General Trust, p.	$1.25	Apr. 15	Mar. 31
Gordon & Belyea, A	$1.50	May 1	Apr. 25
Do., B	30c	May 1	Apr. 25
Guaranty Trust	$1.25	Apr. 15	Mar. 31
Gt. Lakes Pwr., pf.	$1.75	Apr. 15	Mar. 31
Gt. Lakes Pap. A, B p	25c	Apr. 15	Mar. 31
Guardian Realty, p.	▪50c	Apr. 15	Mar. 31
Hollinger Cons.	5c	Apr. 22	Apr. 8
H. Smith Paper, p.	$1.50	Apr. 15	Mar. 31
Highland-Bell	2c	Mar. 15	Feb. 28
Inter. Bronze	▪37½c	Apr. 15	Mar. 30
Do., pref.	▪37½c	Apr. 15	Mar. 30
Inter. Milling, pf.	†$1.25	Apr. 15	Apr. 3
Inter. Nickel, pfd.	†1¾%	May 1	Apr. 1
Invest. Found., pf.	75c	Apr. 15	Mar. 31
Imperial Bank	$2.50	May 1	Mar. 31
Island Mtn.	8c	May 25	May 1
Kirk. Lake Gold	5c	May 4	Apr. 4
Kerr Addison	5c	Apr. 28	Apr. 10
Langleys, pfd.	▪50c	June 11	June 2
Do.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lamaque Gold	10c	June 1	May 8
Do., extra	5c	June 1	May 8
McIntyre-Porc.	55½c	June 1	May 1
Maritime Tel.	20c	Apr. 15	Mar. 20
Do., pref.	17½c	Apr. 15	Mar. 20
McColl-Fron., pf.	1.50	Apr. 15	Mar. 31
Massey-Har., new p	31¼c	Apr. 15	Apr. 1
Do.	31¼c	Apr. 15	Apr. 1
Montreal L. H.	37c	Apr. 30	Mar. 31
Moneta Porc.	2c	Apr. 15	Mar. 31
Montreal Tele.	*43c	Apr. 15	Mar. 31
Nat. Biscuit, c.	†40c	Apr. 15	Mar. 17
N. B. Telephone	12c	Apr. 15	Mar. 31
Nat. Steel Car	50c	Apr. 15	Mar. 31
North Empire M.	10c	Apr. 15	Mar. 27
North. Ont. Power	25c	Apr. 25	Mar. 31
Do., pref.	$1.50	Apr. 25	Mar. 31
Ont. Silknit, pf.	$1	Apr. 15	Apr. 7
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Power Corp., pref.	▪$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	▪75c	Apr. 15	Mar. 31
Pickle Crow	10c	Apr. 30	Apr. 15
Preston E. Dome	5c	Apr. 15	Mar. 31
Premier Gold	2c	Apr. 15	Mar. 16
Proprietary M.	5c	Apr. 29	Apr. 15
Quebec Power	25c	May 25	Apr. 23
Reno Gold	▴20c	Apr. 30	Apr. 10
Regent Knitting pfd.	†40c	June 1	May 15
Saguenay Pwr., p.	$1.37½	May 1	Apr. 15
Sangamo	25c	Apr. 11	Apr. 7
South. Can. Pwr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
San. Antonio Gold	7c	Apr. 20	Apr. 4
Do., extra	3c	Apr. 20	Apr. 4
Shaw. W. & Power	22c	May 25	Apr. 23
Silbak Premier	4c	Apr. 25	Apr. 4
Sher.-Williams, ord.	15c	May 1	Apr. 15
Sheep Creek G.	4c	Apr. 15	Mar. 31
Do., extra	1c	Apr. 15	Mar. 31
Simpsons, pref.	$1.62½	May 1	Apr. 18
Sturgeon River G.	2c	Apr. 30	Apr. 15
Stand. Radio, A, B	10c	Apr. 10	Mar. 31
St. Law. Corp. A p.	▪25c	Apr. 15	Mar. 31

Will the West Swing Back to Wheat?

Belated Campaign Under Way to Increase Production of Feed Grains, Flax

From Our Own Correspondent

WINNIPEG.—A campaign for greatly increased production of coarse grains and flax is now getting under way in western Canada. Most observers think that the start is rather belated as the country is already on the verge of actual planting. It may be difficult to arrange for necessary revision of seed supplies and other work.

Hangs on Ottawa

The campaign is tied directly to the recent grain legislation passed at Ottawa whereby substantial minimum prices were guaranteed for oats, barley and flax, as well as an increase of 20 cents per bushel for the basic price of wheat.

Practically all press emphasis has been placed on the increase in wheat price, and the fear has been expressed that farmers may forget all about the better returns promised for coarse grains and flax and simply grow more wheat.

This would be a reverse of the principle of the last two years when Canada's wheat acreage has been substantially lowered. Bonuses for switching from wheat to either coarse grains or summer fallow, plus restrictions on wheat delivery materially bolstered this curtailment of total wheat acreage. A similar combination of encouragement and threats is in operation this year but it may not prove sufficient to overcome the natural preference of most western farmers to grow wheat.

How far western farmers have swung away from total wheat is graphically illustrated in recent figures from the Dominion Bureau of Statistics. In 1926, for instance, about 75% of the total farm income of the prairie provinces was derived from this cereal. Last year it was well under 50%. During the same period the income from livestock and livestock products, chiefly butter, has doubled.

Details are as follows:

	Wheat Income 1926 $	% of Total	Wheat Income 1941 $	% of Total
Manitoba	41,000,000	46.6	25,200,000	31.9
Saskatchewan	240,300,000	83.1	88,000,000	56.1
Alberta	107,400,000	66.7	54,800,000	36.7

The balance of income was from livestock and livestock products and is as follows for the two years:

	Livestock Income 1926 $	1941 $	Increase $
Manitoba	22,100,000	38,600,000	16,500,000
Saskatchewan	28,400,000	53,800,000	25,400,000
Alberta	44,300,000	82,400,000	38,100,000
	94,800,000	174,800,000	80,000,000

Agricultural authorities have long pointed out the weakness of any one crop area and have worked steadily toward weaning western Canada away from exclusive wheat. Their job, however, has not been as easy as many eastern spokesmen seem to think.

Fine Wheat Land

Over a large part of the central prairie farming region, wheat is about the only practical crop to grow. There is not sufficient moisture for fodder crops, the basis of most livestock and dairying, and in some instances even drinking water for livestock is not within 30 miles. But this land, in favorable years, grows the finest wheat in the world.

On the fringe of this belt, however, there is more moisture and here efforts have been concentrated to increase livestock and dairy production. Moreover, on this marginal land, because of the extra moisture and different soil, wheat crops have not been of top quality.

Political Complications

Politics has complicated the whole problem. Wheat is an easy and clean crop to grow, with none of the daily, year-round chores that go with dairying. The authorities have been reluctant to use the big stick of delivery restrictions to force curtailment of the wheat acreage.

There is always the hope of a boom market. Sudden spurts have occurred in the past following a widespread drought, or the cessation of war. In view of these uncertainties usually the authorities, as was the case this year, have compromised on any measures designed to force a large section of western Canada away from wheat.

On the Surface

On the surface, of course, the situation seems crystal clear. At the end of the old crop year next July 31, Canada will have in storage over 400 million bushels of wheat, or sufficient to supply a normal export market for two years. If the crop is large this year there will be a severe strain on all storage facilities both regular and the temporary capacity built last fall. On the other hand the incessant demand from Britain and elsewhere for meats, dairy products and vegetable oils indicates an unlimited outlet for livestock feed grains and flax.

Cattle Prices Show Decline

Interest in the commodity markets in Canada continued to centre in cattle with a deadlock between packers and sellers. Packers claim present prices are too high for the price ceiling, and have reduced their bids. Producers keep their eyes on the United States markets where higher prices are available. What sales have been made on domestic market have gone through at lower prices. Hog prices have been firm under strong British bacon demand.

In the industrial commodities, cotton was moving well with prices tending to shade a little, due to expectations that government action would check any rising trend. Predictions were made that the heavy carryover gave no cause for apprehension in view of the strong demand.

	Latest week	Previous week	Same week last yr.
Cattle	$10.50	$10.85	$9.50
Hogs	15.25	15.15	11.30
Copper, lb.	.12	.12	.12
Cotton, lb.	.2097	.2024	.1135
Sugar, raw, lb.	*.0374	.0374	.0340
Wheat, Man. (bu.)	.78¾	.78⅛	.76
Coffee, lb.	*.09⅜	.09⅜	.06¾
Hides	*.15½	.15½	.14
Weekly Indices			
U. S. Labor	97.4	97.2	82.2
Wood, Gundy	77.0	76.8	69.9
Dow Jones (fut.)	87.53	87.66	63.77
Fishers	104.8	103.8	88.7
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)†	115.7	115.4	108.2
W'sale (Feb.)	94.6	94.3	85.2
U. S. (Jan.)	96.0	93.6	80.8
Gt. Brit. (Dec.)	155.9	155.2	148.2

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Weekly Bank Clearings

	Apr. 2 1942 $	Change year ago %	Mar. 26 1942 $
Halifax	4,158,654	+12.2	3,836,128
Saint John	2,501,790	+32.6	2,512,231
Moncton	1,182,368	+32.6	1,115,802
Sherbrooke	1,028,386	+19.1	806,033
Quebec	5,759,586	+13.2	4,700,730
Montreal	154,704,562	+32.5	100,161,406
Ottawa	59,943,514	—18.3	65,238,771
Kingston	729,421	+12.4	692,499
Peterborough	899,750	+25.4	661,019
Toronto	153,592,954	+13.0	128,608,963
Hamilton	8,988,552	+14.7	6,868,660
Kitchener	1,355,437	—20.2	1,134,447
Brantford	1,133,493	—0.1	1,016,447
London	3,073,163	+16.3	2,547,850
Windsor	4,082,664	+33.9	3,598,736
Sarnia	539,229	+22.9	344,270
Sudbury	1,125,865	+14.2	1,128,838
St. Catharines	1,423,300	...	1,129,873
Fort William	1,110,429	—8.0	1,113,042
Winnipeg	44,396,033	+11.2	32,006,587
Brandon	374,629	+2.7	410,266
Regina	4,210,767	+1.3	3,633,319
Moose Jaw	666,365	+21.6	649,181
Saskatoon	1,643,494	+11.5	1,297,270
Prince Albert	494,579	+26.9	420,266
Edmonton	6,979,353	+46.2	5,148,431
Calgary	6,109,692	—4.4	5,989,581
Lethbridge	564,646	+1.3	574,407
Medicine Hat	315,007	+18.6	334,444
N. W'minster	856,016	—3.6	1,039,267
Vancouver	24,963,619	+18.5	22,247,314
Victoria	1,931,162	—1.3	1,739,785

Monthly Bank Clearings

	March 1941 $	March 1942 $
Halifax	14,600,961	18,345,361
Saint John	9,425,936	10,769,717
Moncton	3,357,751	4,496,580
Sherbrooke	3,436,842	4,061,425
Quebec	19,477,551	23,852,113
Montreal	453,149,331	523,690,530
Ottawa	225,150,738	445,317,926
Kingston	2,618,243	3,044,613
Peterborough	2,471,931	3,277,082
Toronto	488,578,084	585,801,523
Hamilton	27,618,236	30,770,513
Kitchener	4,757,275	5,402,807
Brantford	3,976,790	4,604,849
London	10,095,413	13,176,222
Chatham	2,539,367	2,987,203
Sarnia	1,767,628	2,046,732
Sudbury	4,200,113	4,622,298
St. Catharines	......	5,452,373
Fort William	3,979,498	4,653,598
Winnipeg	157,353,024	166,970,730
Brandon	1,280,811	1,771,441
Regina	14,725,748	17,494,487
Moose Jaw	2,219,871	2,760,876
Saskatoon	5,363,116	6,436,708
Prince Albert	1,437,966	2,184,377
Edmonton	18,493,870	24,802,025
Calgary	22,641,272	26,257,576
Lethbridge	1,962,527	2,395,078
Medicine Hat	1,097,865	1,374,711
N. Westminster	3,476,099	3,857,216
Vancouver	79,698,698	91,374,705
Victoria	7,779,645	8,066,266

Dividends Declared (Cont'd)

St. Law. Paper, pfd.	▪75c	Apr. 15	Mar. 31
Teck Hughes	▪10c	June 1	May 8
Toburn Gold	3c	May 22	Apr. 22
Do., extra	1c	May 22	Apr. 22
Third Can. G. In. Tr.	12½c	Apr 15	Mar 31
Do., extra	1½c	Apr. 15	Mar. 31
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Union Gas	20c	June 15	May 20
United Corp., A	37c	May 15	Apr. 15
Wendigo Gold	3c	Apr. 15	Mar. 31
Weston, Geo., pf.	$1.25	May 1	Apr. 15
Wilsil	25c	July 1	June 15
West. Grocers	75c	Apr. 15	Mar. 20
Do., extra	$2	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
Wood, A. & J., pf.	$1.75	May 1	Apr. 15
Zellers	30c	May 1	Apr. 15
Do., pref.	37½c	May 1	Apr. 15

†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. *Initial. ‡Also 40c payable Sept. 1 and Dec. 1. *Net after deducting corporate income tax. ▴Capital distribution.

$42 Millions in Food Bonuses

Subsidies for Handful of Items Augur Vast Totals

Price control and subsidy problems continue to plague business and the Wartime Prices and Trade Board. Particularly severe from the first have been the difficulties facing the food trade.

An estimate of subsidies on eight major food items alone runs to over $42 millions annually.

Most pressing problem is apparently that of meats. Domestic consumers are faced with a shortage of beef so long as prices have to be kept down to last fall's levels in this country and a market is open in the United States at prices which Canadian packers cannot pay under their price ceiling.

Something approaching a seller's strike was felt in Canada in closing days of March and early April. Canada exports meats to the United States under a quota arrangement whereby entry is permitted under favorable terms for a certain number of head in each quarter. The first quarter's quota was used up early in March and farmers and drovers apparently held beef cattle off the domestic market in anticipation of shipping to the United States after April at higher prices.

Subsidy or Else

For the Canadian market there are alternative possible solutions. WPTB can decide to pay a subsidy and this policy has been strongly hinted as a likelihood. Such a subsidy, according to Canadian Grocer, would require an estimated $15 millions for one year. This is based on a two cent per pound price rise since the price ceiling went into effect and annual consumption of meat paralleling that of 1940.

Another possibility is an embargo on export of live cattle to the United States. There is already an embargo on export of dressed meats but farmers might resent being compelled to forego the higher U. S. prices. It is thought such a move would not be popular in the United States where a shortage seems developing, hastened by the burden of feeding a large share of the world. Eventually, it is thought, an embargo on cattle exports to the United States is likely.

Finally, authorities could let prices take their own course and the problem of supply would be largely solved at the expense of violating the price ceiling.

Only ruling made so far by the Prices Board has been Order No. 109 which requires processors to go back and establish individual price ceilings for every single account. In the case of one large organization this would mean checking on some 300,000 different price schedules established by actual sales to customers in the base period. These would have to be referred to on each individual sale—an almost impossible task.

Milk and Soap

There is a somewhat similar situation developing in milk, with a new cheese contract with Britain coming. Evaporators have been getting a subsidy of 40c per cwt. to equalize the price being paid to farmers supplying cheese factories with maximum price for cheese fixed in Ontario and Quebec at 25c a lb.

Warehouses are bulging with soap made at costs above the ceilings established. Authorities want continued soap production for vital glycerine. But a subsidy of some sort appears inevitable if price ceilings are to hold.

Higher Beet Prices

In Ontario, prolonged negotiation was needed before sugar beet growers and the Canada & Dominion Sugar Co., sole refiner of beet sugar in Ontario, could agree on the price to be paid farmers. Maximum sugar production was desired and it requires 40,000 acres of sugar beets to keep Ontario's processors busy. Last year a combination of labor shortages and unacceptable prices for beets kept acreage down to about 30,100.

Ontario's Farm Markets Control Board intervened to set prices starting at $7.20 a ton for beets testing 14% sugar and ranging up to $10.20 a ton for 20% beets. A normal crop from 40,000 acres of beets should produce 100 million lb. of sugar. The 1941 base price was $5.75 a ton, plus a bonus of 25c. a ton for every 1% by which sugar content of beets exceeded 14%.

This new price scale has to be ratified by the WPTB. It probably means either higher sugar prices or a subsidy of some kind but not until this year's crop of sugar beets comes to the table late in the fall.

Canned Foods

Canadian Grocer estimates the cost of subsidies to permit authorized higher prices to growers and still permit canners and retailers to stay in business at $4 millions for canned vegetables and $1 million for canned fruits. This is based on an average of 50 cents a case for tomatoes, peas, beans and corn, the major items purchased.

A list of 36 items of canned foods must go back to prices prevailing last spring and summer with subsidies to be paid to prevent losses. This does not provide for the 1942 pack but only for that of last year. Canners are to get a subsidy of 80% of the difference between their base period prices on 1941 pack and their low prices of a year ago. Wholesalers get 100% of the difference. How much this will cost is still about as much of a mystery to the trade is it will be to the average citizen.

Tea is a Problem

Canadians are relatively heavy tea drinkers, using about four pounds per person as compared with about nine pounds for Great Britain or New Zealand and 9/10 lb. per person for the United States. Tea prices are still going-up and Canada is subsidizing to the extent of probably 10 cents a pound on 40 million lbs. by remitting the special import duties, or a subsidy cost of $4 millions. Even this is not likely to cover the entire bill as tea has gone up 30 to 35c a lb. in Ceylon and India since Japan attacked Pearl Harbor. The 10 cent special tax that can be remitted and would about cover freight and war risk insurance but this higher priced tea still has to hit Canadian markets.

A major subsidy to keep bread prices under the ceiling is apparently going to be necessary under the new government wheat policy which means 20 cents a bushel more for wheat farmers. Assuming that Canadians use around 80 million bushels of wheat for food, and remembering the already narrow margin on which the milling and baking industries operate, 20 cents a bushel must be found for this amount, or roughly $16 millions.

Rice is going to require $1.5 million, according to Canadian Grocer's estimates, prunes $550,000 and grapefruit juice $250,000, on the basis of existing price and rate of consumption.

Altogether the items mentioned add up to about $42.3 millions. Only a few of the major food items are covered and the estimate does not show the full cost of price ceilings to Canada.

Flour Demand Holds Up Well

Canadian Output For First Two Months on Parity With 1941

From Our Own Correspondent

MONTREAL.—Demand for Canadian flour from overseas markets, particularly the United Kingdom, holds up well.

According to the Dominion Bureau of Statistics, the mills produced nearly 1.6 million barrels of flour in February. This indicates a reversal of the usual seasonal trend, in that output was slightly higher than in January. Compared with a year ago production showed a gain of 122,000 barrels.

For the first two months of the calendar year, flour output was on a somewhat smaller basis than in the like period of 1941, but substantially ahead of that for the January-February period of 1940.

On the other hand, returns on a crop-year basis, give the current production considerably ahead of that for the preceding seven months period.

	1942 (barrels)	1941 (barrels)	1940 (barrels)
January	1,555,850	1,777,369	1,266,302
February	1,584,978	1,462,187	1,246,793
March	......	1,476,673	1,257,034
April	......	1,660,897	1,344,292
May	......	2,121,397	1,282,906
June	......	2,117,976	1,170,238
July	......	2,116,896	1,222,975
August	......	1,852,139	1,291,451
September	......	1,647,910	1,635,849
October	......	1,595,931	1,872,514
November	......	1,664,803	1,588,428
December	......	1,577,169	1,076,134

Burns' Profit Seen Reduced

Prevailing government ceiling prices have created a series of problems for the packing industry, says John Burns, president of Burns & Co. With no maximum on prices to be paid the producer for agricultural products; with no control on farm labor wages and a probable increase in the packer's labor costs, a further narrowing of the present limited margin is certain to develop, Mr. Burns states.

The industry has been faced with a difficult problem in the sale of beef since early in the winter. The basic period for price ceilings occurred at a time when receipts were heavy and the lowest prices of the year prevailed. Through the winter and spring months prices on cattle, calves and lambs advanced substantially due to feeding costs. Mr. Burns adds that the government is confronted with a serious problem in providing a reasonable solution in the case of beef prices when faced with the realization they must be predicated on no additional cost to the ultimate consumer. In the meantime the packing industry is providing beef for the Canadian market at a substantial loss.

On general conditions within the industry Mr. Burns says it is evident that business during the war will continue in a large measure under government control. The extension of Burns' canning operations has developed into an important factor but due to shortage of tin supplies operations will be seriously curtailed. Certain popular lines are being discontinued. This will be offset to some degree by diverting a substantial portion from domestic to export market.

Marketings of hogs in Canada showed a substantial increase in 1941 and even higher deliveries are in prospect. So far Canada has not shipped any beef to Britain since the beginning of the war and there is no indication that any will be required from Canada this year. Britain is securing its beef supplies from South America and other countries at prices lower than Canada can offer. Canada's surplus cattle continue to move to the U. S. while there has been a heavy demand for beef in Canada for military requirements.

Company Reports

Industrial Acceptance

Because of higher earning power of the Canadian public, Industrial Acceptance Corp. experienced a generally increased volume of business. Returns for last year are consolidated with those of the company's subsidiaries, Industrial Factors Corp. and Campbell Finance Corp. On a consolidated basis earned income of $2.3 millions compared with under $1.8 millon for 1940 when income was for that of the parent company only. Net profit on the common stock on a consolidated basis totalled $2.28 a share in 1941, against $1.98 on a general basis the year before.

Income and Surplus Account
Years Ended Dec. 31

	Consold. 1941 $	General 1940 $
Earned income	2,344,925	1,778,877
Less: Gen. expenses	1,043,189	688,497
Taxes	15,455	17,269
Exec. salaries	66,948	36,889
Legal fees	9,807	8,912
Directors fees	5,955	5,420
Depreciation	34,105	30,164
Int. on loans	616,669	425,363
Note interest	80,306	80,451
Tax provision	191,591	142,975
Net profit	280,900	283,923
Less: Pfd. dividends	75,000	75,000
"A" dividends	90,267	157,967
Surplus	115,633	20,956
Previous surplus	813,111	816,495
Surplus forward	928,744	837,451
Earned on common	$2.28	$1.98

Foundation Co.

Foundation Co. of Canada's consolidated financial statement for 1941 reflects a period of great activity in all branches of business, virtually all of which has been directly connected with the war effort. In this connection, R. E. Chadwick, president, says the company has had a leading part in the vast construction programme undertaken to increase the supply of aluminum and magnesium and has been entrusted with important contracts in the hydro-electric field.

The sharp increase in the company's business is reflected in the balance sheet which shows major changes in cash, plant, accounts receivable and payable.

Income and Surplus Account
Year Ended Dec. 31

	1941	*1940
Total income	$ 951,554	$ 445,763
Less: Exec. salaries	89,288	69,202
Directors' fees	6,230	3,600
Legal expenses	463	1,366
Invest. loss	750	61
Mort. interest	......	250
Depreciation	328,408	112,498
Tax provision	305,000	160,000
Net profit	221,415	98,785
Less: Dividends	105,750	63,450
Surplus	115,665	35,335
Prev. surplus	1,015,194	979,859
Surp. forward	1,130,859	1,015,194

*8 months to Dec. 31.

	1941	*1940
Earned on common	$2.61	$1.16
Working Capital		
Current assets	$3,590,785	$1,313,304
Current liabs.	2,929,903	663,880
Working capital	660,882	649,424
Balance Sheet Changes		
Cash	$1,069,099	$ 492,494
Plant	2,646,778	2,384,489
Accts. receivable	2,049,899	576,968
Accts. payable	2,465,355	474,406
Bank loan	85,000	......

Consolidated Bakeries

Consolidated Bakeries of Canada Ltd. net profit in 1941 dipped to 61 cents a share from 70 cents in 1940, the decrease being largely due to increased taxes. T. Bignell, president, states that the company's plants were maintained in excellent operating condition.

Consol. Income and Surplus Account
Years Ended Dec. 27

	1941 $	1940 $
Operating profit	447,549	436,869
Less: Depreciation	156,603	151,812
Taxes	152,300	114,409
Exec. sals.	31,352	31,751
Dirs. fees	740	760
Solicitors' fees	42	887
Add: Rents	5,276	4,178
Divds. & int. from invests.	95,742	82,041
Net profit	207,530	223,469
Less: Dividends	191,066	318,443
Surplus for year	16,464	*94,974
Add: Prev. surplus	139,886	234,860
Surplus forward	156,350	139,886

*Deficit.

	1941	1940
Earned per Share	$0.61	$0.70
Paid	0.60	1.00
Working capital	1,512,848	1,439,126

Zellers Ltd.

With sales increased by $1.8 million and the volume of consumer buying reaching unprecedented level, Zellers Ltd., variety chain store operators, reports net profit in the year ended January 31, 1942, of $372,735 or $2.62 a share. This contrasted with $290,398 or $1.96 a share the year before.

In his report Walter P. Zeller, president, draws attention of shareholders to the difficulties facing retail operations. At the same time, he says, despite various adjustments, business for the present continues to prove satisfactory.

Income and Surplus Account
Years Ended Jan. 31

	1942 $	1941 $
Sales	9,621,970	7,806,103
Cost of sales	8,634,316	7,122,830
Oper. profit	987,654	683,263
Less: Interest	23,195	26,075
Depreciation	201,724	156,801
Tax provision	390,000	210,000
Net profit	372,734	290,397
Less: Pfd. dividends	45,000	45,000
Com. dividends	100,000	......
Surplus	227,734	245,397
Previous surplus	*815,385	531,629
Surplus forward	1,043,118	777,026
Earned on Common	$2.62	$1.96

*Adjusted.

	$	$
Working Capital		
Current assets	1,771,819	1,423,062
Current liabilities	931,608	542,284
Working capital	840,211	880,778
Balance Sheet Changes		
Cash	895,602	619,895
Inventories	779,509	579,200
Govt. bonds	......	148,143
Property	1,952,007	1,757,258
Accts. payable	449,854	274,498
Debentures	65,000	92,000

Penmans

Penmans Ltd. experienced an active year in 1941, sales amounting to $8 millions, an increase of 9.65% over those reported in the previous year. Gross income of $1.3 million represented an increase of $110,000 over 1940. Because of increased reserves net profit was somewhat lower and amounted to $4.38 a share, as against $4.53 the year before.

Net working capital position showed an improvement during the year, which was reflected largely in higher accounts receivable and inventories. The bonded debt was reduced.

Income and Surplus Account
Year Ended Dec. 31

	1941	1940
Oper. revenue	$1,315,078	$1,205,073
Less: Exec. salaries	45,500	45,313
Directors' fees	5,000	4,875
Legal fees	130	313
Bond interest	91,028	93,564
Depreciation	225,000	200,000
Bond premiums	10,838	3,680
Tax provision	590,000	500,000
Net profit	347,582	357,328
Less: Pfd. divd.	64,500	64,500
Com. divd.	193,554	193,554
Surplus	89,528	99,274
Prev. surplus	1,655,819	1,556,545
Surp. forward	1,745,347	1,655,819
Earned on common	$4.38	$4.53
Working Capital		
Current assets	$3,827,848	$3,441,399
Current liabs.	1,051,053	813,720
Working capital	2,776,795	2,627,679
Balance Sheet Changes		
Trustee cash	......	$ 63,331
Cash	191,287	252,504
Accts. receivable	1,169,823	853,533
Govt. bonds	148,631	105,043
Inventory	2,318,106	2,230,318
Bonded debt	1,579,500	1,674,500

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Wheat Prices

Winnipeg Grain Futures

Week to Apr. 6, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Apr. 6
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77½	July	.80⅜	.80⅜	.80⅜
		Oats			
.51⅛	.38⅛	May	.51½	.51⅛	.51⅜
.51¾	.42⅛	July	.50⅜	.49⅞	.50⅜
.50	.46	Oct.	.49⅜	.49⅛	.49⅜
		Barley			
.64¾	.49⅜	May	.64¾	.64	.64¾
.64¾	.55⅛	July	.63⅜	.63¼	.63½
.63⅞	.57	Oct.	.62½	.62⅛	.62⅜
		Flax			
1.64½	1.40¼	May	1.64	1.64	1.64
1.64	1.48	July	1.64	1.64	1.64
1.64	1.60	Oct.	1.64	1.64	1.64
		Rye			
.67⅜	.52¾	May	.65¼	.64	.64¾
.66⅜	.65	Oct.	.66	.65½	.65⅞
.66⅝	.60⅜	July	.66⅝	.66⅝	.66⅝

Cash Quotations

For Week

	Apr. 6 High	Apr. 6 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.78¾	.78½	.78¾	.78½
1 Nor.	.78¾	.78½	.78¾	.78½
2 Nor.	.75⅝	.75½	.75⅜	.75⅛
3 Nor.	.74⅛	.73¼	.73¼	.73⅛
4 Nor.	.72¾	.71⅞	.71⅞	.71⅞
5 Wheat	.70	.69¾	.69¾	.69¾
6 Wheat	.67¾	.67¾	.67¾	.67¾
Feed	.65¼	.65¾	.65¼	.65¼
Oats:				
2 C. W.	.51⅛	.50⅜	.50½	.49¾
3 C. W.	.49⅛	.48⅜	.49	.48
Barley:				
1 Feed	.61	.61	.61⅜	.61
2 Feed	.60	.60	.60⅜	.60
Flax:				
1 C. W.	1.64	1.64	1.64	1.64
2 C. W.	1.59½	1.59⅝	1.59½	1.59½
Rye:				
2 C. W.	.64⅜	.63¼	.64⅞	.63

DIVIDEND NOTICES

THE Calgary & Edmonton Corporation Limited

Notice is hereby given that a dividend of five cents per share was declared on the 6th April, 1942, payable 15th May, 1942, to shareholders of record at the close of business on the 15th day of April, 1942.

Payment of the said dividend has been approved by the Foreign Exchange Control Board.

The Transfer books of the Corporation will be closed from the close of business on the 15th day of April, 1942, to the opening of business on the 27th day of April, 1942.

BY ORDER OF THE BOARD,
C. E. REECE,
Secretary.

Dated at Winnipeg, Man., this 6th day of April, 1942.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that a dividend of Fifteen Cents (15c) per share has been declared on the no par value Ordinary Stock of the Company, payable to Shareholders of record the 15th day of April, 1942, and that cheques will be mailed on May 1, 1942.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec.
February 5, 1942.

ANGLO-CANADIAN TELEPHONE COMPANY

Preferred Dividend Notice

NOTICE is hereby given that a dividend of One and Three-Eighths percent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the quarter ending April 30, 1942, payable May 1, 1942, to Stockholders of record at the close of business on April 15, 1942.

By Order of the Board.

CAMERON HOUGH,
Secretary.

Montreal, April 7, 1942.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 356

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 22nd day of April, 1942, to shareholders of record at the close of business on the 8th day of April, 1942.

Dated the 1st day of April, 1942.

P. C. FINLAY,
Secretary.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 221

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1942, and that the same will be payable at the Bank and its Branches on and after Friday, 1st May next, to shareholders of record at the close of business on the 31st March, 1942. The Transfer Books will not be closed.

By Order of the Board.

A. E. ARSCOTT,
General Manager.

Toronto, 20th March, 1942.

The Dominion Bank

Dividend No. 238

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of May, 1942, to shareholders of record of the 15th April, 1942.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 12th March, 1942.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

DIVIDEND NO. 97

Notice is hereby given that a dividend of fifty-five and one-half cents (55½c) per share in Canadian currency will be paid on June 1, 1942, to shareholders of record at the close of business May 1, 1942.

By Order of the Board.

BALMER NEILLY,
Treasurer.

Dated at Toronto, April 1, 1942.

Reno Gold Mines Limited

(Non-Personal Liability)

NOTICE is hereby given that a capital distribution of Twenty cents (20c) per share will be paid on the 30th day of April, 1942, to shareholders of record of the Company as of the 10th day of April, 1942.

Notice is further hereby given that the Share Register will be closed on the 10th day of April, 1942, and remain closed until the 20th day of April, 1942.

As this distribution is a repayment of capital it is tax free and no deduction will be made for National Defence Tax.

Dated at Vancouver, B.C., this 2nd day of April, 1942.

By order:
RENO GOLD MINES LIMITED,
W. A. SUTTON,
Secretary.

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Notice is hereby given that the PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-784 authorizing it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

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Chief Agent in Canada.

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Cut Announced In Auto Rates

Reduction in automobile insurance rates in certain categories have been announced by the Canadian Underwriters Association effective in Ontario, Quebec, the Maritime provinces and Newfoundland as from April 1.

The cut, while coinciding with the institution of gasoline rationing is not contingent on that move, but is the result of studies which have been carried on by the association for some time. The rationing system, however, brings out into clearer relief the considerations that affected the insurance companies in lowering rates.

See Smaller Hazard

These, it is understood, were the belief, that a car is a better risk when:

Driven for personal use than one driven for business.

Driven not more than 7,500 miles a year, provided it is operated by a limited number of drivers and that such operators are of mature years.

Reduced gasoline consumption will, it is admitted, be a factor in curtailing the mileage which many cars are driven.

Official Statement

An official statement issued by the C.U.A. said:

"A 10% reduction in the cost of insurance will be made on automobiles owned by individuals and which are not used by the named insured or any other person customarily operating the automobile in the carrying on of an occupation, profession or business. Owners who use their cars simply for driving to or from their place of business as well as farmers and clergymen will come within this classification.

"A 20% reduction will be made on those automobiles falling in the above group which are not driven more than 7,500 miles during the previous year and whose estimated mileage will not exceed 7,500 miles for the 12 months of the policy providing there are not more than two operators of the automobile in the insured's household and that such operators are at least 25 years of age.

"In this classification a chauffeur or an employee of the insured's household will be counted as an operator. Where an insured owns more than one car, the total number of operators shall not exceed an average of two operators per automobile.

"Present rates will apply to automobiles which do not fall within the two classifications already described and miners and commercial travellers will continue to pay present rates.

"In one category, where the hazards of driving have proven far above normal, a 20% increase in existing rates will be effected."

The statement did not further define this category.

The non-tariff companies have not indicated whether they will follow the cut of the tariff companies or not. It is believed, however, they will. Some of them have already been working on a plan for reducing rates similar to that announced by the tariff body.

Meeting Your Insurance Needs

Policy Options Offer Various Settlements in Wartime

Increased interest in the settlement options of life insurance policies is reported in agency departments of life insurance companies.

Reason is that war has brought many changes to the average policyholder, equally important changes for his dependents. The return on gilt-edged investments is lower. The cost of living has risen. Taxes are higher. The private circumstances of the individual policyholder are different. His family situation has changed.

Plans made even a short time ago may fall short of present needs. In the expectation that the settlement options in the ordinary life policy may help solve his problems, many policyholders are reviewing them, making fresh selections to meet the new needs.

It has long been realized that the important work of life insurance was to assure income for the beneficiary. Fact that the latter was often inexperienced in business matters or might be too busy with family affairs to give adequate attention to the investment of funds, led to the establishment of different standard methods of settlement. At first these were limited, but have been expanded and broadened to meet the needs of beneficiary or policyholder. Present methods of settlement are so broad they permit the policyholder to arrange almost any reasonable way of receiving the proceeds.

Three Old Policies

The writer has before him three policies taken out between 1921 and 1926. They offer the same main settlement options. If the insured does not wish to have the full face value of the policy paid over to the beneficiary in a lump sum these options are, briefly:

The money may be left on deposit with the company bearing interest at a rate not less than 3½%. The interest may be made payable to the beneficiary during her lifetime, the proceeds of the policy being payable at her death to whomsoever she may indicate.

A stated sum in cash may be paid to the beneficiary, the balance of principal and interest to be paid in equal installments monthly or annually as the assured and the beneficiary may elect.

Total proceeds of the policy, plus interest may be paid in regular installments, as long as the proceeds last.

A stated number of installments of a certain sum may be paid.

In each case where installments are taken it is provided if the beneficiary dies before all payments have been made, the balance will be paid to her heirs. Under these options almost any kind of reasonable settlements can be made to meet special needs.

3½% Interest Rate

In each of the three policies in question, the rate of interest payable by the company is stated at 3½%. That is part of the contract with a higher rate being payable if the company sees fit to pay it. At the time these policies were taken out, 3½% was a conservative rate in comparison with those then existing on gilt edged securities. Today it is highly attractive in view of the security offered.

Flexibility and Simplicity

In selecting settlement options, two guiding principles stressed are flexibility and simplicity.

Main objects are to safeguard principal and interest for the beneficiary. Simplicity prevents delay and confusion. Flexibility within limits is desirable to meet changing circumstances of the beneficiary.

Many a man now in the late 50's or 60's bought his insurance with the idea that if he died, his dependents would have so many thousands of dollars. He thought of a lump of money without reckoning on the income it would bring under changed interest rates, requirements of his dependents, etc. Method of settlement then decided on may now be utterly unsuitable.

In recent years, better trained agents get their clients to name the way in which each policy is to be used, the whole insurance holdings of the individual being alloted on a definite plan to do the things the policyholder wants. In the average planned insurance programme certain policies are allotted to provide a lump sum of cash for immediate expenses, others to pay off a mortgage on the house, others to provide an income for the wife and family which may vary as the children grow up and the need changes.

Whatever the circumstances, changing needs and conditions make it desirable for the policyholder to review his policies and the settlement options frequently. In this way only can he make sure his beneficiary will get the most out of the policy.

Bank of Canada Assets Decline

Repatriation of Canadian bonds held in Britain is indicated in the statement of the Bank of Canada for the week ended April 1, which shows a decline of almost $190 millions in holdings of sterling exchange. This drop was offset on the liability side by a decline of $203 millions in the deposits of the Dominion Government.

It is understood the government paid for the bonds repatriated by transferring the necessary part of its deposits in sterling funds.

The transaction indicated is only part of a larger one involving an estimated total of approximately $300 millions.

Total investments of the Bank were $18 millions higher at $613.4 millions. Miscellaneous assets rose $10 millions. Total assets of the bank at $920 millions were down $161 millions.

	Apr. 1 1942 $	Mar. 25 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ. ..	510,764,493	503,600,312
Rest fund	5,585,705	5,585,705
Deposit: Dom. ...	115,001,329	318,586,472
Banks	244,574,214	230,294,668
Other	12,073,666	13,546,496
Total deposits ...	371,659,209	562,427,636
All other liabs. ...	27,329,910	4,803,805
Total liabs.	920,339,317	1,081,417,458
Assets		
In Sterl. & U. S.	285,232,559	474,251,350
Subsid. coin	381,648	375,037
Advances	1,000,000	1,000,000
Investments:		
Dom. gov. sh. ..	403,250,424	384,344,251
Other Dom. gov.	210,203,930	210,779,397
Total invest.	613,454,354	595,123,648
Premises	1,769,868	1,773,176
All other assets ..	18,500,888	8,894,247
Total assets	920,339,317	1,081,417,458

DIRECTOR

Stanley Moss has been appointed a director of the Fidelity Insurance Co. of Canada. Mr. Moss is senior member of Moss, Lawson & Co., members of the Toronto Stock Exchange.

Drop in Deposits Seen Due to Victory Loan

Partial effect of the public investment in the second Victory Loan is seen in the statement of the Canadian chartered banks as at Feb. 28, 1942. This shows a moderate decline in savings deposits and a small rise in current loans.

While much of the loan was actually sold in the first two weeks of the campaign, most of the cheques by which payment was made were cashed, it is understood, in March rather than February. Accordingly the February statement reflects only in a small way the withdrawal of deposits and the making of current loans by the public in connection with the bond issue.

The Main Factor

In the return of the banks to the Minister of Finance as at Feb. 28, savings deposits were down $56 millions from the previous month and $22 millions from the same date of 1941. While other factors may have been at work in a minor way, it is generally believed the main cause of the decline was investment in the Victory Loan.

In June, 1941, when the first Victory Loan was being paid for, savings deposits fell $228 millions. With the current loan absorbing more of the public's money than the first, it is expected the total withdrawal of savings deposits was greater. Accordingly a further larger drop is expected to be shown when the statement for Mar. 31 is issued.

Demand deposits were $53 millions higher on the month and up $219 millions over the same date last year. The rise in demand deposits, it is thought, probably reflects money mobilized by investors in connection with the loan and placed to their credit in their accounts. Dominion Government deposits during the month increased $87 millions over January and $12 millions over the previous year, while provincial government deposits were down in both comparisons. Foreign deposits were higher both on the month and on the year.

Current Loans

Current loans in Canada were slightly higher for the month and $49 millions above last year. The rise for the month, slight as it was, was probably due to financing arrangements in connection with the loan. As it is understood a considerable volume of bonds was bought through bank loans, it is probable the total amount of current loans will show a marked rise in the March statement.

Borrowing by the provinces and municipalities in February was slightly higher than in January but showed a decline from a year ago. Call loans in Canada declined both from the previous month and from the previous year.

With loans in Canada increasing while total deposits declined, The Financial Post Credit Index, which is the ratio of current and call loans in Canada to demand and savings deposits in Canada, was slightly above that for January but below that for Feb., 1941.

The banks' cash position remained strong, cash holdings being higher for both the month and the year. Note circulation increased slightly in February but was down $8.2 millions on the year.

Use of Bank Credits
(In Millions of Dollars)

	February 1942	January 1942	Change	February 1941	Change
Loans	1,164.8	1,159.0	+5.8	1,137.4	+27.4
Investments	1,960.3	1,915.6	+44.7	1,787.8	+172.5
Total	3,125.1	3,074.6	+50.5	2,925.2	+199.9
Deposits	2,935.0	2,937.6	—2.6	2,738.4	+196.6
Credit index*	36.9%	36.8%	+0.1%	37.9%	—1.0%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

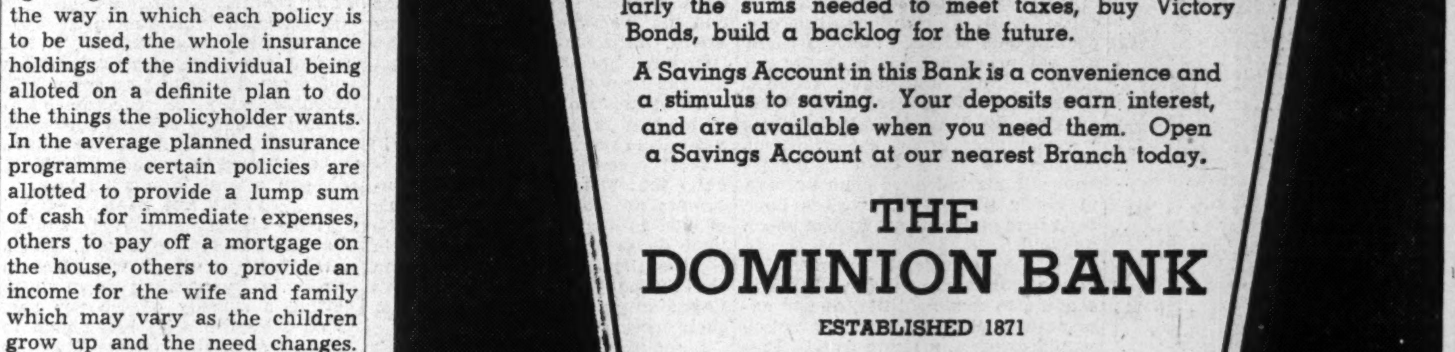
ASSETS

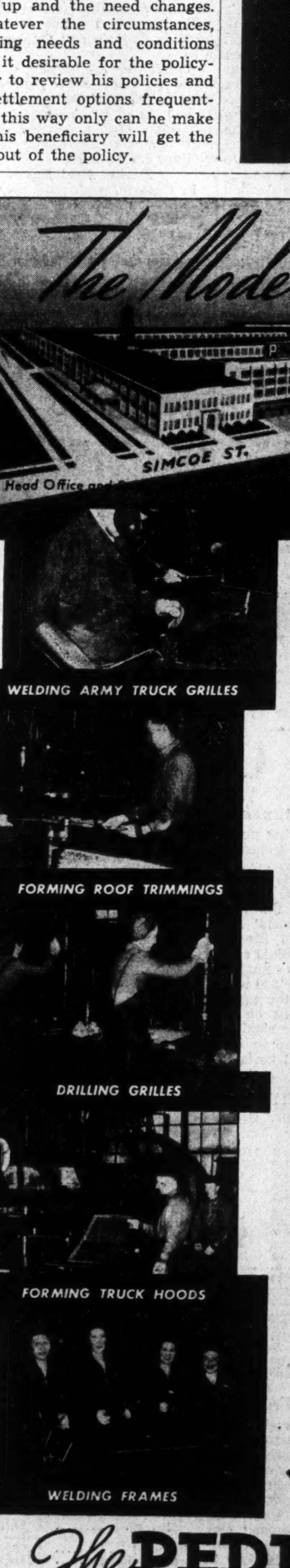
	February 1942 $	January 1942 $	Change $	February 1941 $	Change $
Immediately Available Liquid Assets					
Canadian coin	6,906,209	7,489,873	—583,664	7,214,166	—307,957
Bk. of Can. notes ...	82,620,525	87,782,626	—5,162,101	73,077,482	+9,543,043
Bk. of Can. depos. .	234,680,096	200,593,408	+34,086,688	213,074,761	+21,605,335
Bank's cash	324,206,830	295,865,907	+28,340,923	293,366,409	+30,840,421
Other bank's notes .	2,360,217	2,373,641	—13,424	2,342,064	+18,153
Gold. sub. coin abd.	2,792,432	3,093,336	—300,904	3,174,200	—381,768
Foreign banks	169,232,301	166,228,471	+3,003,830	181,374,337	—12,142,036
Foreign currency ..	30,382,744	29,722,923	+659,821	28,883,184	+1,499,560
Gov. sec. short term	954,280,972	929,747,668	+24,533,304	771,431,213	+182,849,759
Do., long term ...	769,192,980	744,755,686	+24,437,294	777,453,890	—8,260,910
Call loans abroad ...	45,687,461	43,845,204	+1,842,257	38,662,435	+7,025,026
	2,298,135,937	2,215,632,836	+82,503,101	2,096,687,732	+201,448,205
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	77,433,535	78,150,043	—716,508	92,195,426	—14,761,891
Public secs.♦	72,419,732	75,301,801	—2,882,069	49,450,976	+22,968,756
Other secs.	86,968,887	87,621,983	—653,096	97,231,399	—10,262,512
Can. call loans	29,606,850	30,709,320	—1,102,470	33,932,073	—4,325,223
Current loans	1,055,488,517	1,052,857,980	+2,630,537	1,006,445,346	+49,043,171
Loans abroad	140,335,287	137,754,804	+2,580,483	132,830,274	+7,505,013
Prov. loans	10,485,957	9,124,362	+1,361,595	12,582,217	—2,096,260
Mun. loans	69,197,218	66,342,387	+2,854,831	84,472,919	—15,275,701
	1,541,935,983	1,537,862,680	+4,073,303	1,509,140,630	+32,795,353
Other Assets					
Non-current loans ..	4,692,892	4,679,385	+13,507	5,759,967	—1,067,075
Real estate	6,398,488	6,495,064	—96,576	7,112,199	—713,711
Mortgages	3,346,534	3,330,105	+16,429	3,562,559	—216,025
Premises	69,591,734	69,586,193	+5,541	70,763,895	—1,172,161
Letters of credit ...	126,799,976	124,759,412	+2,040,564	74,113,832	+52,686,144
Loans to comp.	11,125,376	11,215,401	—90,025	10,969,189	+156,187
Other assets	2,191,281	2,227,652	—36,371	2,156,266	+35,015
	224,146,281	222,293,212	+1,853,069	174,437,907	+49,708,374
Total	4,064,218,201	3,975,788,728	+88,429,473	3,780,266,269	+283,951,932
Note circ. dep.	4,494,872	4,494,872	....	4,837,050	—342,178
Int. bank bal.	139,410,106	132,787,749	+6,622,357	134,186,870	+5,223,236
Gross	4,208,123,179	4,113,071,349	+95,051,830	3,919,290,189	+288,832,990

LIABILITIES

	February 1942 $	January 1942 $	Change $	February 1941 $	Change $
To the Public					
Circulation	74,213,654	73,612,300	+601,354	82,439,057	—8,225,403
Dom. Govt.	187,329,972	99,946,692	+87,383,280	174,902,868	+12,427,104
Prov. Govt.	58,628,605	58,874,069	—245,464	75,453,803	—16,825,198
Deposits by Public					
Demand dep.	1,270,739,068	1,217,143,619	+53,595,449	1,051,429,537	+219,309,531
Savings dep.	1,664,274,473	1,720,435,653	—56,161,180	1,687,027,047	—22,752,574
Total	2,935,013,541	2,937,579,272	—2,565,731	2,738,456,584	+196,556,957
Foreign dep.	455,572,875	448,572,294	+7,000,581	410,058,386	+45,514,489
Due to Banks Abroad, Etc.					
United Kingdom ...	20,570,404	21,246,851	—676,447	22,338,377	—1,767,973
Foreign	30,624,619	31,295,693	—671,074	28,220,733	+2,403,886
Bills payable	7,136	10,826	—3,690	15,079	—7,943
Letters of credit ...	126,799,976	124,759,412	+2,040,564	74,113,832	+52,686,144
Other liabs	8,555,876	8,630,751	—74,875	6,563,951	+1,991,925
Total pub. liabs. ...	3,897,316,658	3,804,528,160	+92,788,498	3,612,562,670	+284,753,988
Due bet. banks	11,782,117	10,667,312	+1,114,805	8,633,572	+3,148,545
Liability to Shareholders					
Dividends	2,254,512	2,085,995	+168,517	2,282,334	—27,822
Reserve	134,750,000	134,750,000	....	133,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,191,603,287	4,097,531,467	+94,071,820	3,902,728,576	+288,874,711

♦Other than Canadian.





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28th Annual Review of Trust and Loan Companies

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War Brings Rousing Realty Demand

Home of His Own is Canadian's Big Wartime Personal Desire

By R. C. STARK

To the homes of Canada war has brought outstanding changes. Armed with a billion dollars extra national income the Canadians are finding prices higher, supply is getting tighter, "For Rent" signs few and far between.

To the real estate man war has meant a jamming of his enquiry files for new homes. For every house that is available there are usually several clients waiting. Business is booming with a louder roll than has been heard for years.

Canada today is faced with this situation:

1. People want homes of their own.
2. They can afford to pay for them.
3. In many localities there is an acute housing shortage.
4. New construction depends on the availability of materials.

The answer to this situation concerns every householder in Canada, whether he is renting or buying. To get that answer The Financial Post has gone to those in close everyday touch with real estate; asked them: "What about it?"

Here is what they say:

The Realtor Says:

To the real estate man this rousing demand for new accommodation has meant booming business, the need to establish a "priority system" of his own to meet the flood of enquiries. Demand for homes to rent has been at peak levels for some time and the visible supply of houses or apartments for rent is practically zero. Those accustomed to move on when their lease had expired are now doing all they can to stay put.

Recently realtors have been noting a change in emphasis among their clients. Buying, not renting, has become more than ever the dominant theme.

With the biggest boost in income coming in the moderate salary brackets the heaviest increase in home demand has been felt in the medium to low priced field. Around $3,500 is a popular figure but homes are being taken on up to $7,000 in volume. Above that figure the movement is appreciably slower.

Some are finding it worth while to take on a fairly large house and then sublet a portion to help carry the costs. One gauge of home-buying demand is the fact that daily papers are carrying longer lists of houses for sale than they have for the past ten years.

The Builder Says:

In the construction end the situation has recently changed for the better. Around the turn of the year the outlook for materials, such as plumbing and heating equipment, was so bleak that many builders wouldn't start a house without definite assurance the material was right on hand to finish it. That curtailment of new construction has helped to feed the demand for houses already built.

Today finds the building trade a good deal more optimistic than a couple of months ago. The supply situation has ironed out somewhat and there is now assurance that construction of a good volume of low-cost houses, probably about $4,000 or so, will be carried on. Not much hope is held for building the more elaborate type of home.

Substitution for steel and some imported products has been necessary in home construction but these problems have been worked out satisfactorily. As for other necessary equipment there is now found to be a reasonable supply available after meeting essential wartime needs. War has meant curtailments and restrictions of choice but essential home requirements can still be filled.

Typical of the situation in this direction is that baths are still available but in 4½ ft. and 5 ft. lengths only, with no more corner-types to be had. Larger kitchen sinks have been discontinued but there are still several sizes up to 42 in. width. Two models of laundry tubs are still available, suitable for all domestic requirements. There is a full range of cast iron coal-fired hot water heaters in sizes to satisfy all average household needs.

There are fewer intermediate sizes of hot-water furnaces but still sufficient to meet requirements. Copper or brass pipe for water lines is out but you can still get galvanized iron pipe up to 2 in. diameter. As water closets are entirely of vitreous china construction, there is no shortage, but models are simplified. The most critical item in the whole list of house equipment is that of galvanized kitchen range boilers. These use war-valuable steel plate and while they are being made, quantity and sizes are down and deliveries may be slow.

Loan Companies Say:

For mortgage companies quickened industrial activity has been a tonic to some rather sickly urban mortgages. Payments of principal and interest are at a better rate today than for years. That hasn't meant any expansion in loans, however. General experience of mortgage firms in 1941, with no change yet in 1942, was that repayments of principal exceeded the amount put out on new urban mortgages.

Reason is that the loan companies derive biggest part of their housing loan business from new construction and as there has not been a particularly heavy amount of that their field for new investment has tended to narrow. Of the 8,596 more residential units built in the calendar year 1941 over 1940, the government's Wartime Housing Ltd. accounted for over 5,000. With the stepped-up demand for real estate these companies have been able to make a large number of sales and during the past year a substantial reduction took place in the amount of real estate held for sale by mortgage companies. Experience has been similar in the sale of lands held by municipalities for taxes.

Outlook for mortgage lending this year hangs largely on the volume of new construction. Funds are available and if they could be used to any extent in further mortgage financing it would provide some alleviation of the condition which has been forcing them recently into investment fields where the interest return is at a fairly low level.

To help take up some of the flood of shifting population set moving by war plant employment needs is the job of Wartime Housing Ltd. In the past year this cross-Canada project has set up a tidy 6,000 homes, each housing an average of 4.5 persons. In addition to this there was constructed 35 staff houses for 88 men each, four dining halls and a manning pool for merchant seamen at an eastern Canadian port.

It is expected that Wartime Housing will carry out about the same amount of construction this year to house war workers. One element that may bring some change to present plans is that the Selective Service programme may bring more women into war plants. If that is done on any big scale it may become necessary to inaugurate some form of women's centres or hostels.

While theme of Wartime Housing Ltd., as its name indicates, is a plan to meet a temporary need, it actually embraces more permanent characteristics than might be thought at first. To educate war workers' families Wartime Housing has had to start schools at several of its developments while it is now designing churches for the more established locations.

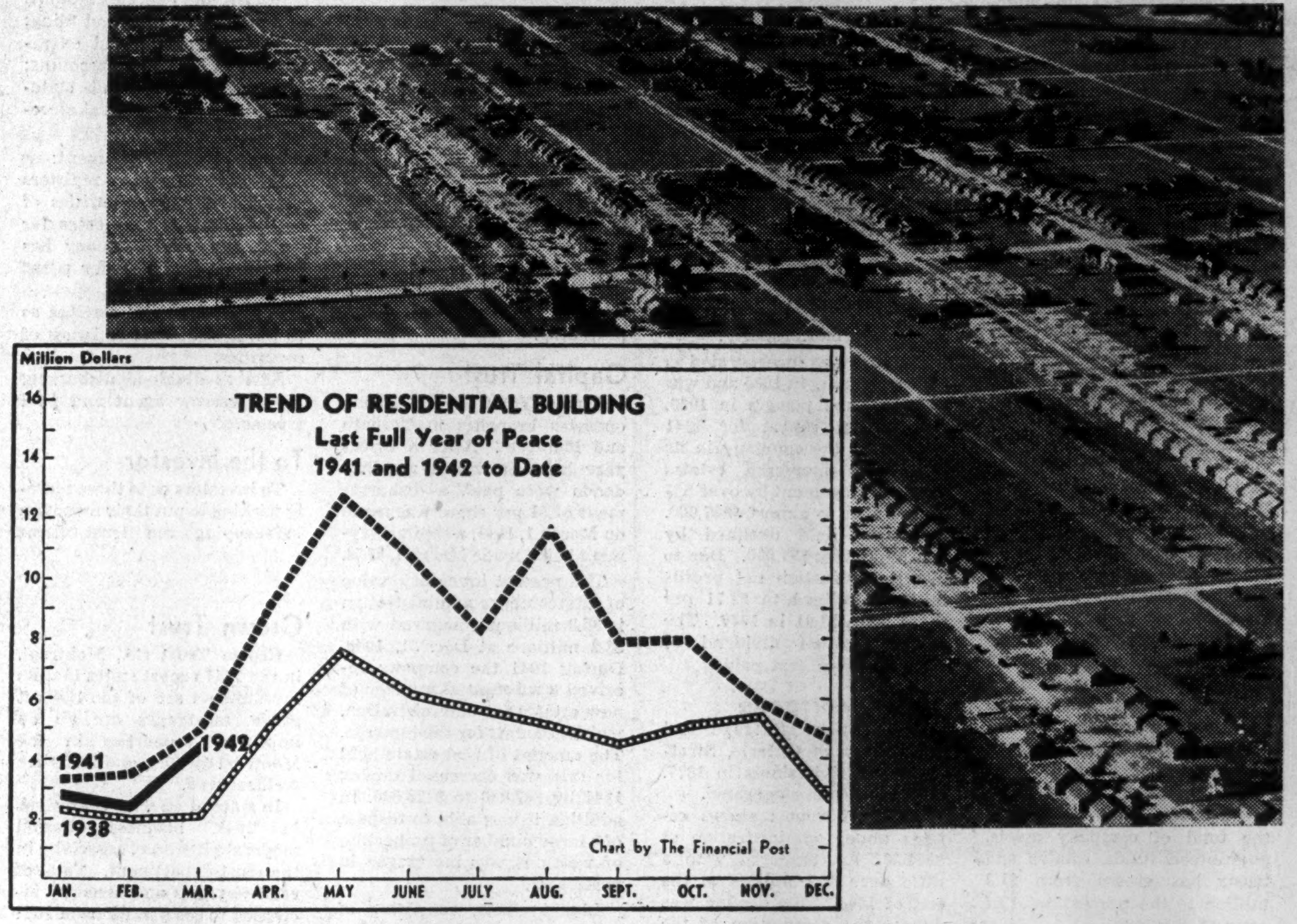
The Government Says:

Government limitations on housing so far have been restricted to rulings on equipment consuming vital materials and the proviso that before a builder starts on a house to cost over $5,000 he must apply for a license. Those applications are closely scrutinized but to date construction has been held back more through material shortages, feared or actual, than through government restrictions.

It hasn't been necessary for the government to crack down on the construction industry as an unwarranted labor consumer for two reasons. First, there has been a plentiful supply of that type of labor available for war plant construction. Secondly, many men in the building trade are on the grey side of middle age; apprentice training has been at a low ebb for years. The great majority of builders have been in the business for a good many years, switching them would present a host of difficulties.

It is safe to say that the present official stand is one of recognition of housing needs, a recognition that is reflected in its own Wartime Housing plan. That stand is confined to the type of houses actually meeting the current shortage; prospective builders of non-essential, expensive homes stand small chance.

Quiet reminders of that position are carried on the applications for a license to build a home costing over $5,000. The applicant is told that it is in the national interest to postpone all avoidable non-war expenditures, is then bluntly asked of his project: "Why can't it be postponed?"



Canadian residential building in mid-1941 boomed to the highest level for years but by the time 1942 started the housing equipment supply situation looked so bad that construction took a sharp drop. At the moment that condition is a good deal better than expected only a couple of months ago and builders are looking forward to a reasonable volume of moderate-priced new homes this year.

At the moment no reason has appeared to suggest that the current real estate boom is nearing an end. Rather, the cards seem to call for a continuing heavy demand with home prices trending higher.

With housing shortages already definitely apparent and war inflated incomes in hand a continued tightening in the real estate situation seems the likely prospect. Whether or not new construction will be able to absorb any appreciable part of that demand is a question remaining unanswered; many in the real estate business believe that demand will far outstrip new supply.

Beyond the war lie questions of paramount importance to the position of real estate in Canada. Should war plants continue in production more permanent housing provision than is the case under Wartime Housing would have to be provided. In some communities it has been promised that the Wartime Housing developments will disappear with the war.

Postwar immigration from the old land, if carried out on any large scale, will further accentuate the need for adequate housing. There is a growing trend of opinion that many Canadian communities need full-scale planning jobs done, that blighted slum areas should be replaced by healthy developments without further delay.

A point often expressed is that the backlog of construction remaining in Canada will perform an important absorption function in taking up whatever employment slack develops after the war.

Meanwhile the housing situation continues tight but with the easing factor that it now appears more construction of moderately priced homes will be possible than seemed to be the case only three months or so ago.

Western Loan Improvement Highlights Year

Signs of light have begun to show up around the edges of the western farm mortgage situation, a situation that has darkened the position of trust and loan companies for some years.

Still many a payment removed from their former investment category, western farms have been coming through with much improved principal and interest payments. Collections have increased materially while some mortgages which had been written off as a total loss have been repaid in full.

Indication of how mortgage loans in the west are being lightened is afforded by figures made available by the Registrar of Loan Corporations for Ontario. The report lists nine loan companies and 16 trust companies with mortgage interests in the prairie provinces. Here is how the principal of those loans have been cut in the past three years:

Loan Companies	1941	1940	1939
	—Millions of $—		
Alberta	8.9	9.4	9.6
Saskatchewan	22.0	22.6	23.2
Manitoba	10.4	11.0	11.4

Trust Companies	1941	1940	1939
	—Millions of $—		
	(Company funds)		
Alberta	1.8	1.9	2.0
Saskatchewan	3.5	3.6	3.7
Manitoba	1.7	1.7	1.7
	(Guaranteed funds)		
Alberta	2.7	3.0	3.2
Saskatchewan	8.3	8.7	9.1
Manitoba	3.5	3.8	4.0

These totals represent roughly 30% of total mortgage business of the companies concerned.

Improved collections on western farm mortgages in 1941 were due in part to the huge 1940 wheat crop. Deliveries of this crop to rural elevators were spread out by the quota system so that a large part of the settlements was not made until 1941. The shorter crop in 1941 enabled settlement to be made before the end of the year with the result that in many cases two years' payments were made in the one season. Such favorable circumstances are not expected to be repeated this year.

Increasing diversification of farmers' interests has allowed them to make better payments. More money is being made in hogs, cattle, poultry and dairy products. According to the Dominion Bureau of Statistics the cash income from the sale of farm products of all three prairie provinces totalled $385 millions in 1941 as compared with $337 millions in 1940. Should the various bonus payments be included that comparison would show an appreciably wider improvement for 1941.

Despite the improvement in western mortgage payments, working out of the whole situation continues to be hampered by adverse legislation. Some firms with western mortgage interests feel that this legislation tends to encourage disregard for obligations on the part of many able to pay to an extent greater than they are doing.

Mortgage companies generally are well aware of the difficulties with which farmers have been faced in the past few years, and recognize that the farmers' share of the national income has been low. But they point out that debt was not the cause of the difficulties of westerners for mortgage debts did not become burdensome until western farm income dropped. The solution of the situation does not lie in a transferring of difficulties from farmer to creditor but rather in working out a long-range agricultural programme for western Canada having in mind the national character of the causes underlying the farmers' difficulties.

A notable fact in connection with the whole farm mortgage situation is that in recent months with the increased ability of the farmer to pay on his debts there is reported an increased willingness on his part to pay — a general improvement of debtor-creditor psychology. Generally speaking, the Canadian farmer wants to have his land free of all encumbrances, wants to pay what he can when he can. That is just as true in the East as in the West.

However, some forms of legislation continue to ignore that moral point of willingness to pay; legislation remains that harks back to the days when politicians sought to shift the burden from farmer to creditor in a merry-go-round move that did not make a beginning of solving the problem. Typical of this is the continued Alberta debt legislation which it is felt does more to embarrass financial institutions than to protect debtors. It is highly doubtful if there is any popular support for this sort of legislation; its adverse effects on the credit of the province are already familiar.

During the past year a whole battalion of new problems has been mustered for trust firms by imposition of Dominion succession duties effective June 14, 1941. For many average estates this meant an approximate doubling of the amount of taxes payable; for companies handling estates the problems of management increased manifold.

In many estates, particularly those with substantial business interests, it is now a real problem for executors to find sufficient readily marketable assets to provide for the accumulated duties. Even when such assets can be found it may often mean that the cream of the estate has gone for taxes and that the heirs have left only a comparatively unstable residue.

To try and ease the impact of this new high cost of dying to the beneficiaries has therefore become one of the toughest jobs of the trust firms.

Higher taxes mean that estates are smaller than they used to be, that the trust companies have to get a greater number of individual estates to maintain the total they have under administration.

That the drive for additional clients is meeting with some success is evidenced by the fact that 22 of the largest trust firms had $2,475 millions under administration in 1941 as compared with $2,454 millions in 1940. A surprising percentage of those totals is made up of small estates. National Trust, which handles $283.7 millions in its estates department has reported that for the five years ending 1940, 55% of the estates which came in were under $25,000.

Despite the trying conditions of the past few months most trust and loan companies in Canada managed to maintain their position during 1941 to a satisfactory degree. A tabulation of 22 important trust companies and experience for loan firms is substantially similar, shows the following comparison with 1940:

	1941	1940
	Millions of $	
Liabilities to public	137.7	135.0
Secured by:		
Liquid assets	75.6	69.7
Mortgages	61.8	65.2
Other net assets	44.3	44.0
	181.7	178.9

Net profits in 1941 were on the whole lower than in 1940. To some companies this meant cutting dividends, or eliminating extra payments made in the previous year.

Prime reason for the profit drop was increase in the tax bill. In many cases earnings before taxes were well ahead of 1940 levels but the additional government levies more than drained off that improvement. Some companies paid three times as much in taxes in 1941 as in 1940.

So far as the immediate outlook is concerned there seems little reason to expect much improvement in earnings. Stock market inactivity and lack of corporate bond borrowing have meant lower earnings from the transfer and bond trusteeship departments.

Some further slight reductions in the total of company assets also seems likely. This will be due first to the continuing policy of repaying each year at least 25% of the principal of maturing sterling debentures, while another factor will be that subscriptions to war loans will mean withdrawals from deposits accounts. These campaigns will also tend to absorb new funds which might ordinarily have found their way to investment in currency debentures.

Liquidity will be another point stressed in 1942. Brought partly by restricted lending outlets and partly by needs of war financing this condition means that the trust and loan companies are getting increasingly into a position to quickly divert substantial funds into investment channels when they reopen.

Thus liquidity, keynote of trust and loan company operations today, means not only the ability to share to a substantial degree in Canada's war financing and the placing of a greater security behind company obligations but also the building of an important economic buffer to help absorb whatever shocks the postwar world may bring.

Wartime Housing Ltd. — War Job or Portent?

In the past year the Dominion government has erected some 6,000 snug frame houses for war workers through the machinery of Wartime Housing Ltd., this year will build about the same number. This programme is a vital war necessity to house the tide of workers that has swirled to big war plants. Question is, with its feet now well wet in real estate, will the Dominion after the war, splash back to shore or wade in a little deeper?

War Jobs Increase Trust Company Service

Selling War Loans, Assisting in Exchange Control, New Taxes Add to Functions

War has brought to trust companies an extension of their already voluminous services. Along with maintaining a high degree of liquidity so that full support can be given war financing, these firms have donated their machinery for marketing the war loans.

The many tangled questions arising from rulings of the Foreign Exchange Control Board have meant much further work in the public interest, and shareholders' lists must now be minutely scrutinized for possible alien interests.

Busy on Estates

War revenue needs brought imposition of a Dominion succession duty which has created a whole raft of new duties for estates departments. To those harried by the much increased government demands, trust firms offer expert advice on how best to meet the new heavy taxes as well as a continuing administration of the balance of the estate. This department acts as investing and managing agent of estates and trusts for and on behalf of individual executors, administrators and trustees. When one or more executors named in a will does not wish to act the trust company can be appointed in his place to act with the others.

The estates department also:

Holds real and personal property upon trusts, and carries out the terms or purposes declared or agreed upon.

Prepares and files income tax reports.

Furnishes analyses of estates and information as to succession duties.

Acts as custodian and trustee under the Bankruptcy Act.

Acts as receiver, manager, attorney, guardian or committee.

Business Services

To business firms some of the most important trust company services are provided through the transfer, accounting and corporate trust departments.

The corporate trust department:

Administers the affairs of corporations for which the trust company acts as trustee, receiver or manager.

Acts as liquidator in voluntary winding up under the Winding Up Act, as receiver, custodian and trustee under the Bankruptcy Act and under the Companies' Creditors Arrangement Act.

Acts as manager, comptroller, accountant, treasurer and secretary.

Acts as trustee in bond issues and as manager of sinking funds.

Acts as depository and disbursing agent.

The accounting department:

Installs and operates systems of accounts, records and filing; carries out audits and examinations of books and accounts; furnishes reports and statements; performs general secretarial services.

The transfer department:

Transfers and registers shares and other securities of corporations or syndicates for which the trust company has been appointed transfer agent or registrar.

Countersigns and certifies as to the genuineness of issues of securities.

Acts as dividend disbursing agent, escrow agent and pool trustee.

To the Investor

To investors or to those merely wishing to put their money in safekeeping the trust firms again offer a variety of services. The savings department:

Accepts money in trust, withdrawable by cheque and allows interest on credit balances.

Plans for monthly savings; children's savings; Christmas savings clubs.

Special facilities for trust accounts of solicitors and for deposit and withdrawal of funds by mail.

Foreign exchange, travellers' cheques and express money orders issued.

Accepts money in trust for investment for periods of one to ten years and guarantees repayment of interest and principal.

Purchases, holds, sells and exchanges bonds, debentures, stocks and other securities.

Collects and remits proceeds of bond interest coupons, stock dividends, etc.

Acts as investment counsel and furnishes reports on investments.

Loan Business

In these fast-moving days need sometimes crops up for additional cash for various purposes. To meet that need the trust firm:

Lends money to firms and corporations, brokers, bond houses and individuals upon security of eligible collateral such as bonds, stocks, life insurance policies, etc.

Acts as agent in placing funds on call loan.

Rents safety deposit boxes and accepts custody of valuables for safekeeping.

Real estate in many parts of Canada is booming just now and here again the trust companies are ready to offer many valuable services. Their real estate department:

Acts as rental and sales agent for owners of real estate, and manages properties such as apartments, office buildings, etc.

Acts as arbitrator, valuator and appraiser.

Performs general services in assessment appeals.

Accepts appointments under the Mechanics' Lien Act as trustee, etc.

Lends money upon security of selected first mortgages of real estate.

Acts as collection and lending agent for mortgagees.

Lends to mortgagees upon security of mortgages.

Purchases mortgages.

Thus the operations of the Canadian trust company fit into the Canadian life right from the top represented by large business corporations to the bottom represented by the individual who needs either the expert advice or the broad strength of the trust company behind him.

Trust Companies Reviewed

Acadia Trust

Acadia Trust Co., Truro, N.S., in the year ended Nov. 30, 1941, reported a decline in net profits to $19.66 per share from $27.18 in 1940, the decline being due to higher expenses and increase in taxes. The dividend of $19 per share paid in 1940 was repeated in 1941.

Liabilities to the public in the form of guaranteed funds increased about $30,000 in 1941 to a total of $812,835 at the end of the fiscal year, with securing assets increasing by about the same amount to $1.8 million. Liquid assets held about stationary during the year, while mortgages increased almost $30,000 to $43,656 in the guaranteed account.

The company started business in 1920, since which time the total of company assets, guaranteed funds, estates and trusts has grown from $1.2 million to the present total of over $8 millions.

Administration & Trust

Société d'Administration et de Fiducie, with head office in Montreal and branches in Quebec, Winnipeg, Regina, Edmonton and Vancouver, is interested principally in the administration of estates. This latter account amounted to $32.5 millions at the end of 1940. The 1941 statement has not yet been made available.

Barclays Trust

Barclays Trust Co. of Canada is associated with Barclays Bank and is principally interested in the administration of estates, trusts and agencies. It does not publish accounts in the ordinary way as its stock is all privately held.

During 1941 total assets declined to $22.8 millions from $23.7 millions. Estates, trusts and agencies under administration at the end of 1941 totalled $22.7 millions as compared with $23.6 millions at the end of 1940. No dividends were paid during 1941.

British Canadian

British Canadian Trust Co., Lethbridge, Alta., had materially improved results in 1941 with net profit per share amounting to $8.86 as compared with $7.60 in 1940. The regular dividend of 5% was maintained. The company has no branch offices while British Canadian Finance Limited is a subsidiary.

It has been benefitting from a more stabilized agricultural economy with farmers diversifying their operations as much as possible. Farmers are doing their own financing to a larger extent than at any previous time in the history of southern Alberta. For the past three years a considerable number of new houses have been built in Lethbridge in which British Canadian has assisted very materially.

Brockville Trust

Brockville Trust & Savings Co., Brockville, Ont., primarily serves a territory from Belleville to Cornwall and also the Sudbury district. Mortgage investments are entirely in Ontario, with the great majority being on urban property.

The firm was incorporated as a loan company in 1885 and was granted trust powers in 1939. The annual report for 1941 shows that the company in its 56th year increased estates under management by over 5% on the year to almost $987,000. Mortgages held declined by approximately $97,000. Due to increased taxation net profits in 1941 declined to $2.71 per share from $2.91 in 1940. The regular annual dividend of $2.87½ a share was paid.

British Mortgage

The British Mortgage and Trust Corp. of Ontario, Stratford, started business in 1877. No branches are operated.

The 1941 report shows estates under administration at $850,301 as compared with a little over $1.1 million at the end of 1940. This decline was due to the completion of the administration of some relatively large estates.

Progress was registered in earnings during the year with net profits in 1941 amounting to $8.67 a share, as compared with $8.10 in 1940 and the $8 dividend rate. The guaranteed trust account advanced over $100,000 to $5.7 millions. A further increase was registered in liquid assets with the total for this account amounting to close to $2.4 millions. In 1941 directors decided in view of war conditions that it was advisable to transfer $200,000 from general reserve to general investment reserve. It is explained that this is a precautionary measure taken only in accordance with the directors' policy of being "ultraconservative" and it is not anticipated that the reserve will actually be needed.

Canada Permanent

Incorporated in 1913, the Canada Permanent Trust Co. is controlled by the Canada Permanent Mortgage Corp. through a 98% stock ownership. Head office is in Toronto with branches at Woodstock, Brantford, Winnipeg, Vancouver, Halifax, Saint John, Edmonton and Regina.

Principal business is handling of estates which, at the end of 1941, amounted to $52 millions, compared with $51.9 millions at the end of 1940. Net profits in 1941 declined to $7.99 per share from $8.43 per share in the previous year, with the regular dividend of $6 being paid.

Canada Trust

Canada Trust Co., London, Ont., in its 40th annual report shows total assets at end of 1941 at $38.2 millions, as compared with $37.6 millions at the end of 1940.

This company, a subsidiary of Huron & Erie Mortgage Corp. has estates under administration of $28.9 millions, an increase of almost $800,000 on the year.

Net earnings in 1941 dropped to $8.84 per share from $10.68 in 1940, due largely to higher taxes. Dividend rate in 1941 was dropped to $6 per share, which compares with $8 in 1940 and $10 in the several years preceding.

Capital Trust

Capital Trust Corp., Ottawa, operates branches in Toronto and Montreal. After a three-year lapse in which no dividends were paid, a disbursement of $1 per share was made on March 1, 1941, a similar payment being made March 1, 1942.

The present inventory value of estates under administration is $8.8 millions compared with $8.2 millions at Dec. 31, 1940. During 1941 the company received a substantial number of new estates for administration, which accounts for the increase. The amount of real estate held for sale was decreased during 1941 by $82,000 to $428,890. In addition it was able to dispose of a large number of properties, of which it was mortgagee in possession.

Liquid assets, consisting of government bonds at market value, demand loans and cash on hand, amount to almost $2.2 millions, which is equivalent to 115.45% of the total savings on demand, as compared with 107.28% at December 31, 1940. Net profit in 1941 declined to 3.59% of paid-in capital from 5.32% in 1940.

Central Trust

Central Trust Co. of Canada, with head office in Moncton, and branches in Fredericton, Woodstock and Saint John, confines its mortgage investments mainly to New Brunswick.

Best earnings period in its history was in 1939 when net equalled 8.54% of the paid-up capital. In 1940 earnings were 6.58% while last year they amounted to 6.13%. The dividend of 6% has been steadily maintained.

In 1941 its guaranteed certificates increased approximately $59,000 while savings were up about $29,000. Securing assets were up almost $100,000 to over $1.2 millions. Estates under administration in 1941 rose to a new record high for the company at $4.6 millions.

Chartered Trust

Chartered Trust & Executor Co. operates from its head office in Toronto and maintains a branch in Montreal. All its mortgages are on Ontario real estate. Majority of its investments are in Dominion of Canada, Province of Ontario, Municipal and School District bonds. At the end of 1941 liquid assets amounted to 102.94% of all trust deposits as compared with 108.39% in 1940.

Taxes in 1941 were doubled over those of the previous year, resulting in a decline in net profits to $5.25 per share from $5.44 in the previous year. The regular dividend rate of $4 per share was maintained.

Guaranteed trust account increased $1.1 millions during 1941 to total $5.1 millions, while a net increase of over $1.1 millions was registered in estate and trusts assets under administration to a total of $21.4 millions.

Crown Trust

Crown Trust Co., Montreal, in the 1941 report states that its investments are of the highest grade, mortgages are all on improved properties in the Montreal district, and loans are well secured.

In spite of adverse conditions in 1941, business showed moderate increase, especially in the trust department. Total of estates, trusts and agencies increased to $39.8 millions in 1941 from $37.2 millions in the previous year. Its deposit liabilities are limited to $1.4 millions, with liquid assets of over $1.7 millions, alone amounting to 125% of the deposit liabilities.

Due to a 40% increase in taxes during 1941, net profits declined during the year to $4.08 per share from the 1940 mark of $4.40. The regular dividend rate of $4 per share was maintained.

Eastern Trust

Now in its 50th year of operation Eastern Trust Co. is one of the largest trust firms in the Maritime area. Head office is located at Halifax, while branches are maintained at Saint John, Moncton, Charlottetown, St. John's, Nfld., Montreal and Toronto.

While the margin of coverage has been narrow in the last couple of years, the $8 dividend is still being covered by earnings with net in 1941 amounting to $8.04 per share compared with $8.01 in 1940.

Total assets under administration at approximately $65 millions are $2.4 millions higher than in 1940. Trusts, etc., at $57.3 millions compare with $56 millions in 1940.

Equitable Trust

Equitable Trust Co., Winnipeg, in 1941 showed a decline in deposits of about $28,000 to $127,459, while debentures declined about $15,000 to $153,825. Mortgages and agreements at $531,861 are down about $26,000 on the year. The company has no branch offices.

Fidelity Trust

Fidelity Trust Co., Winnipeg, suffered further declines in income during 1941, with a net loss of $1,674 being sustained during the year, as compared with a net profit of $30 in 1940. Mortgages and agreements declined about $8,000 to total $123,786, while holdings of real estate declined about $16,000 to $243,872.

The company comments that returns from real estate are practically dormant. It has however experienced a satisfactory return from its automobile financing business, in which it has been engaged for 10 years on a limited basis. However, the outlook for this year in this type of business is rather obscure owing to restrictions on gasoline, tires, etc.

General Trust

One of the larger trust companies operating in Quebec province, General Trust Co. maintains its head office at Montreal and a branch in Quebec City.

Assets have grown progressively since formation, with total assets of $91.5 millions as at December 31, 1941 compared with $91.1 millions a year ago, representing a new high record. Estates under administration amount to $49.6 millions.

The company points out that taxes being levied on the income derived from the investment of capital as well as on its operating profits are particularly onerous in the case of General Trust, whose capital is fairly high for its volume of business. These higher taxes dropped net earnings per share in 1941 back to $5.18 from $5.70 in 1940. This decline in profit in turn has brought a cut in the dividend rate to $5 per annum, compared with $5.50 in 1940 and $6 in several years preceding.

General Trust & Exec.

General Trust & Executor Corp. was founded in 1929 and maintains a head office in Halifax, with no branches being operated. Report for the year ended Feb. 28, 1942, has not yet been made available. In the previous year earnings amounted to 4.99% per share with dividend of 4% being paid. Liabilities to the public totalled $984,559 which were secured by $1.3 million of assets. Estates account at the end of the 1941 fiscal year amounted to $774,326, an increase of some $100,000 on the year.

Grey and Bruce Trust

Grey and Bruce Trust and Savings Co. was founded in 1889 and now serves the City of Owen Sound and surrounding districts. The extent of growth since its founding can be measured in the fact that in 1890 deposits and guaranteed investments totalled $16,569 while at the end of 1941 they amounted to $3.3 millions.

The company confines its investments largely to Grey and Bruce Counties and the City of Toronto. Mortgage interest and principal payments were satisfactory during 1941, reflecting improved conditions throughout Grey and Bruce Counties.

The Estate and Trust Department is becoming increasingly important in earnings with estates and trust under administration at the end of 1941 amounting to over $1.7 millions against $1.6 millions in the previous year.

Guelph Trust

A subsidiary of Guelph & Ontario Investment & Savings Society, the Guelph Trust Co., Guelph, has its mortgage investments almost entirely in Ontario. No branches are operated. In 1941 net profits declined to 7.74% on paid in capital from 8.64% in 1940, the decline being due to an increase in taxes. The 5% dividend rate which has been in effect for many years was continued.

Trust funds on deposit show a small decline to $516,445. Liquid assets improved to $117,409, from $68,082 in 1940, while mortgages were down $62,000 to a little under $400,000.

Estates under administration continued the trend higher shown in past years, to total $4.8 millions at the end of 1941 as compared with $4.6 millions at the end of 1940.

Guaranty Trust

Guaranty Trust Co. of Canada, with head office in Toronto, maintains branches in Windsor and Niagara Falls, Ont. In 1940 the company merged with Fidelity Trust Co. of Ontario in Niagara Falls.

Since this merger, its position has materially expanded with further progress being registered in 1941. The dividend rate of 5% has been well covered in recent years with the net profit in 1941 amounting to 6.10%. The guaranteed trust account advanced to $1.8 millions in 1941 from close to $1.2 millions in 1940, while securing assets moved up to $2.2 millions from $1.5 millions. At the same time estates under administration advanced over $1 million to $9.8 millions.

Northern Trusts

Northern Trust Co., Winnipeg, main activity is handling estates and trusts. As at Dec. 31, 1941, estates, trusts and agencies under administration amounted to close to $14.5 millions.

It does not accept money on deposit nor issue debentures. Guaranteed funds at the end of 1941 totalled $609,891 secured by $1.7 million of assets. On the basis of book value there is $2.82 for every $1 of liability to the public. Mortgages held by the company at the end of 1941 amounted to $606,749, of which practically all are located in the Prairie provinces.

(Continued on page 15)

THE TORONTO MORTGAGE CO.

13 TORONTO STREET, TORONTO

A. M. M. KIRKPATRICK, President — WALTER GILLESPIE, Managing Director

Present Cash Value of Total Assets - - - - $5,361,500
Surplus, Over all Liabilities to Public - - - - $2,295,500

2% *Allowed on Savings Deposits, Withdrawable by Cheque.*

3¼% *Paid on Debentures in all Denominations for three to five years.*
LEGAL INVESTMENT FOR TRUST FUNDS

First Mortgage Money to loan on modern solid brick dwellings, in good residential districts. Prompt service.

MUCH EXPERIENCE

stands behind this man in the administration of an estate . .

The execution of a will and the administration of an estate under a will involve much specialized knowledge. Settlement of Succession Duties, the keeping of accounts, investing, the up-keep of properties, and the collection of rents are all specialized fields . . . When you appoint this Trust Company as executor under your will, our trust officer has, behind him, the advice and experience of many specialists. Thus we are able to carry out the provisions of the will efficiently and continuously in a way that few private executors could hope to do. We invite your inquiries regarding our services without obligation.

CHARTERED TRUST

and EXECUTOR COMPANY

34 KING STREET W., TORONTO

132 ST. JAMES ST. WEST, MONTREAL

GUELPH AND ONTARIO

Investment and Savings Society

Incorporated A. D. 1876

DEPOSITS RECEIVED
DEBENTURES ISSUED

The Guelph Trust Company

under the same Management

Acts as Executor, Administrator, Trustee, etc.
SAFETY DEPOSIT BOXES FOR RENT

J. R. HOWITT, K.C., *President* — J. M. PURCELL, *Managing Director*

H. L. BENALLICK, *Assistant Manager*

Head Office: GUELPH, ONTARIO

THE WATERLOO TRUST AND SAVINGS COMPANY

Capital and Reserves - $1,400,000.00
Assets - - - $21,000,000.00

DIRECTORS

FORD S. KUMPF, *President*
President, The Dominion Life Assurance Company
Director, The Waterloo Mutual Fire Insurance Company

LOUIS L. LANG, *Vice-President*
President, Lang Tanning Company Limited
Vice-President, The Mutual Life Assurance Company of Canada
Director, Bank of Montreal

HENRY KNELL, *Vice-President*
President, Economical Mutual Fire Insurance Company

H. J. SIMS, K.C.,
Solicitor to The Mutual Life Assurance Company of Canada
Director, Economical Mutual Fire Insurance Company

GEORGE A. DOBBIE,
President, Stauffer Dobbie Company Limited
Vice-President, The Dominion Life Assurance Company
Director, The Royal Bank of Canada

ALLAN HOLMES,
President, The Galt Daily Reporter

R. O. McCULLOCH,
President, The Mutual Life Assurance Company of Canada
Director, Imperial Bank of Canada

P. R. HILBORN,
President, The Preston Furniture Company
President, Canadian Office & School Furniture Company, Limited

SENATOR W. D. EULER,
President, The Kitchener Daily Record
Vice-President, Economical Mutual Fire Insurance Company
Director, The Dominion Life Assurance Company

W. J. MOTZ,
Vice-President and Managing Director The Kitchener Daily Record
Director, Economical Mutual Fire Insurance Company

THOS. W. SEAGRAM,
President, Canada Barrels & Kegs Ltd.

W. H. SOMERVILLE,
General Manager and Director The Mutual Life Assurance Company of Canada
Director, Economical Mutual Fire Insurance Company

FRED HALSTED,
Special Agent

J. E. FROWDE SEAGRAM,
President, Jos. E. Seagram and Sons Limited
Director, The Dominion Life Assurance Company

WM. HENDERSON, M.D.,
Director, The Waterloo Mutual Fire Insurance Company

W. L. HILLIARD, M.D.,
Medical Director, Equitable Life Insurance Company of Canada

P. V. WILSON, *Managing-Director*

EQUIPPED TO ACT IN ALL TRUST CAPACITIES

WATERLOO — KITCHENER — GALT — PRESTON

Expert Management Can be Had by All

Trust Companies Offer Professional Skill of Many Different Kinds

That professional estates management is by no means a rich man's luxury is a prime doctrine of companies engaged in the business. In recent years there has been an increasing trend on the part of moderate sized estates to seek experienced administration. A recent analysis by one trust company of the number of new estates, trusts and agencies in its Estates Department shows:

$25,000 and under	55%
$25,001 to $75,000	24%
$75,001 to $150,000	10%
Over $150,000	11%

Machinery with which trust firms manage an estate includes the following:

Investment

Determining values for tax purposes.

Preparation of initial review of investment portfolio with recommendations for rearrangement.

Periodic reviews of all trusts and estates for consideration of investment committee.

Surveys of industries and companies, including statistical reports, interviews with leaders in finance, mining and industry.

Buying and selling of stocks.

Accounting

Control of all estates records.

Accurate record of all transactions.

Proper division and amortization as between capital and income.

Statements to beneficiaries and statements in the form required by the Surrogate Court.

Secretarial duties of personal and private companies.

Insurance

Action taken to protect all insurable assets.

Insurance coverages checked for rates, sufficiency, etc.

Detailed records made for renewals, etc.

Existing insurance connections retained.

Settling losses, completing claim forms, etc.

Arranging for replacement of property damaged or destroyed.

Surveying life insurance settlements.

General supervision of values and coverages.

Taxes

Advisory capacity to estates office on succession and income taxes.

Investigating returns of a deceased person when any question is raised by the government income tax departments concerning returns filed during lifetime.

Preparing returns of a deceased person when the company is executor.

Real Estate

Negotiations and completion of sales, frequently at substantial commission savings.

Valuations, settlements with succession duty department.

Assessments, supervision and appeals.

Rentals, fixing rentals and collections.

Management, leasing and repairs, settling of encroachments, rights-of-way, easements, etc.

Taxes, checking of tax bills and payment.

Mortgages

Collection of interest and principal.

Supervision of taxes and physical condition of properties.

Mortgage investment.

Valuations. Inspection. Negotiation of renewals. Supervision, alterations and remodelling of mortgaged properties.

Mortgage Firms in Review

Canada Permanent

Canada Permanent Mortgage Corp., incorporated in 1889, maintains head office in Toronto and branches in Woodstock, Brantford, Winnipeg, Vancouver, Halifax, Saint John, Edmonton and Regina. Chief office in Great Britain is in Edinburgh.

Some idea of the progress over the past 40 years is to be gained from the fact that in 1901 assets totalled just over $23 millions, depositors' balances were less than $2 millions and currency debentures stood in the neighborhood of $3 millions. At the end of 1941, in contrast, total assets amounted to $66.1 millions, deposits were over $17.2 millions and debentures payable in Canada stood at $27.2 millions. Under arrangement with the Foreign Exchange Control Board and British Treasury officials, the corporation is repaying each year at least 25% of the total amount of the principal of its maturing sterling debentures. These debentures are now down to less than $8.1 millions.

Bulk of mortgages are on urban property. The 1941 report notes that the company holds only one small farm for sale in the maritime provinces, very few in Ontario and British Columbia. In the prairie provinces, are a considerable number of farms. Sales are being made, despite the handicap of low prices for wheat and the difficulty of obtaining farm labor. Western farm properties and farm mortgage accounts represent just over 16% of its total assets.

Net earnings in 1941 were very slightly higher than in 1940 at $9.86 per share, with the regular dividend rate of $8 per share being maintained. Mortgages and interest declined to $48.6 millions from $50.6 millions in 1940. The company controls the Canada Permanent Trust Co.

Credit-Foncier

Credit-Foncier Franco-Canadien statement for 1941 is not yet available. In 1940 the company had a net profit of $428,383, up slightly from 1939.

Assets are entirely in Canada, although the majority of shareholders are in France. At the end of 1940 debentures outstanding totalled $14.9 millions secured by assets at $36.4 millions of which mortgages amounted to $26.7 millions. Dividend of 140 francs were declared out of 1940 earnings as compared with 145 francs out of 1939 earnings.

Annual report for 1941 will be made available at the annual meeting which has been called for May 18.

Head office is in Montreal with branches maintained at Quebec, Winnipeg, Regina, Edmonton and Vancouver.

Central Canada Loan

Central Canada Loan and Savings Co. was incorporated in 1898 and in 1933 discontinued its deposit branch activities. With offices in Toronto, the firm now carries on the business of a holding and investment company. A controlling interest in the Canada Life Assurance Co. is held along with shares in National Trust Co., the Canadian Bank of Commerce, Western Assurance Co. and the Canadian Real Estate Co.

Relatively little change took place in the position during 1941. Net profits declined slightly to $8.10 per share while the $8 dividend was maintained.

Debenture Co.

Debenture Co. of Canada, Regina, was organized in 1917. The company invests principally in tax sale properties, certificates and agreements for sale. It has no public liabilities.

In the year ended November 30, 1941, net profits amounted to $848 with no dividends being paid during the year. However, a dividend of $2 per share was paid Jan. 2, 1942.

Auditor's report on the 1941 financial statement says that realization on the value of property carried will largely depend on future economic conditions of agriculture.

Eastern Canada

Eastern Canada Savings & Loan Co., Halifax, N.S., has the largest part of its assets made up by mortgages which amount to approximately $4 millions, nearly all in Nova Scotia, particularly around Halifax. No branches are operated.

Incorporated in 1887 Eastern Canada at that time had total assets of $72,580 which compares with the current figure of over $4.8 millions.

In 1941 net profits increased to $7.51 per share from $7.15 a share in 1940, despite higher taxes.

Greater activity was noted in the real estate department in 1941, with total real estate held at the end of the year amounting to a little over $56,000, down nearly $26,000 from the previous year. Debentures and savings deposits increased $68,000 on the year to over $3.6 millions. Liquid assets amount to 20½% of the total debentures and deposits of the company.

Empire Loan

Empire Loan Co., Winnipeg, has its investments mostly in mortgages and agreements for sale. This latter account declined to $701,125 in 1941 from $737,129 in 1940. Liabilities consist of mortgages and a small total of debentures outstanding. Operations have been carried on at a loss during the past three years, with accumulated deficit at the end of 1941 amounting to $90,657.

The company states that it has had a very difficult experience ever since the crash of wheat prices in 1923. The prairie provinces in which most of the company's assets are located have had some bright spots and an occasional good year, but the general situation has not adjusted itself to a proper balance, with relation between income and expenditure showing a satisfactory surplus.

Guelph & Ontario

Guelph & Ontario Investment & Savings Society was incorporated in 1876 and confines its activities largely to the territory surrounding head office at Guelph, Ont. Investments consist mainly of first mortgages, the majority of which are in Ontario, government bonds and the capital stock of its subsidiary, Guelph Trust Co.

The company's 66th annual report for 1941 shows net earnings of $3.95 a share, compared with $4.04 in 1940, the decline being due to a more than doubling in the tax payment. The regular dividend rate of $3 per share was maintained.

Liabilities to the public increased in 1940 by some $60,000 to total over $3.7 millions. Liquid assets increased around $50,000 to total $923,116, while mortgages moved up about $31,000 to total $3.9 millions. Total securing assets at $5.2 millions were up $58,000 on the year.

Home Investment

Home Investment and Savings Association, Winnipeg, was established in 1892 and carries on all its business within the three Prairie Provinces.

Liquid assets at the end of 1941 were more than triple total liabilities to the public. Net profit improved to $1.94 per share from $1.06 in 1940. No new loans were made during 1941, while 65 mortgages were discharged. The real estate account at $162,255 is represented by $44,550 urban and $117,705 farm property.

Annual meeting was told that nothing has occurred to suggest that mortgage loaning, which was the purpose for which the association was formed can now be resumed with a profitable return on the shareholders' capital. Nor does anything indicate a change of conditions in the near future which would permit the satisfactory resumption of mortgage loans. With this in mind it is proposed to call a special meeting.

Hudson Bay Mtge.

Hudson Bay Mortgage Co., Vancouver, B.C., incorporated in 1926 has its investment in first mortgages, and properties within British Columbia. These holdings are particularly centralized around Vancouver, and adjacent municipalities. At the end of 1941 total assets amounted to $90,115 against $89,903 in 1940. Net profit on the year amounted to $1,527 compared with $656 in 1940. Preferred dividends are in arrears from June 30, 1934.

Huron & Erie

Huron and Erie Mortgage Corp. is one of the oldest and largest institutions of its type in the Dominion. Incorporated in 1864 the company has its head office at London, Ont., and branches in Toronto, Hamilton, St. Thomas, Windsor, Chatham, Winnipeg, Regina, Edmonton, Victoria and Vancouver.

The company accepts deposit accounts and issues debentures up to a 10-year maturity, while its subsidiary, Canada Trust Co., handles estate business.

The company has been following a policy of reducing its sterling debentures outstanding and in 1941 these debentures were reduced by over $1 million due to the repayment in 1941 of all maturing debentures issued in sterling currency. Total liabilities to the public of $35.3 millions are secured by assets totalling $42.1 millions. In 1941 liquid assets improved to $6.1 millions from $5.8 millions in 1940, while mortgages declined to $30.8 millions from $32.1 millions.

Net profit in 1941 declined to $4.95 per share, compared with $5.11 in 1940, the regular $4 dividend being maintained.

Industrial Mortgage

Mortgage investments of the Industrial Mortgage & Trust Co., Sarnia, Ont., cover properties in the city of Sarnia, and counties of Lambton, Middlesex, Huron and Perth, with a small percentage of loans in Saskatchewan and Alberta. The company was established in 1889 and operates branch offices at Petrolia and Forest.

Net profit in 1941 improved to $2.15 a share from $2.09 in 1940, with regular dividends at the annual rate of $2 a share being paid. An increase in liquid assets behind guaranteed account liabilities was shown in the 1941 report. Guaranteed liabilities declined some $30,000 to total $3.6 millions. Liquid assets increased almost $200,000 to $1.7 million. Mortgages declined to a little under $1.8 million from over $1.9 million. Total securing assets improved to $4.8 millions from $4.7 millions. Estates under administration showed a slight increase to $1 million.

International Loan

International Loan Co., Winnipeg, does not accept deposits, issue debentures or guaranteed investment certificates. Operations are conducted entirely with its own funds.

Of the $1 million held in mortgages at the end of 1941 70% were located in Manitoba, 27.5% in Saskatchewan and 2.5% in Alberta. Urban loans make up 37.5% of the total and farm loans the balance, there being an increase of 5% in urban loans and a decrease of 5% in farm loans during 1941. In that part of Saskatchewan generally recognized as the drought area the company has 25 loans aggregating $84,400 and during 1941 interest was collected on $23,400 of these loans. With improvement in the farmer's position officials look for an increase in interest earnings.

Collections in 1941 were the highest on mortgages since the inception of the company, amounting to $145,700. Apart from interest, the company received back principal of $96,500, being due to an increasing number of purchasers for properties with sufficient cash to pay off mortgage and clear title. During 1941 International Loan made 50 loans aggregating $89,250 on which the average interest rate was 7.02%. Of these 48 were city loans and the other two loans on farms adjacent to Winnipeg.

Lambton Loan

Oldest mortgage company in Canada, the Lambton Loan & Investment Co., Sarnia, Ont., was established in 1844. It controls the Lambton Trust Co. and maintains no branches outside of the head office. Mortgages held cover properties in Ontario, with activities being particularly concentrated in the county of Lambton. A substantial proportion of assets are in Dominion, Ontario and Canadian municipal bonds.

The 98th annual report shows 1941 earnings at $2.96 a share, compared with $3.19 in 1940. Total in dividends paid in 1941 was $2.50 against $2 in 1940. Liabilities to the public declined some $60,000 to total $2.5 millions, while securing assets declined $54,000 to $4.1 millions. Liquid assets increased $65,000 to total $892,113 while mortgages held declined to $2.6 millions from $2.7 millions.

Landed Banking

Landed Banking & Loan Co., with head offices in Hamilton, Ont., was incorporated in 1876. A branch office is maintained in Winnipeg. Mortgage investments are principally in the Hamilton district, with some in western Canada.

Due to higher taxes, net profits in 1941 declined to $4.86 per share from $5.70 in 1940. Regular dividend of $4 a share was maintained. Repayments on principal and interest during the year are officially said to have been satisfactory.

Liabilities to the public showed a moderate contraction to $1.3 millions while securing assets stood at $3 millions. Market value of all bonds and securities held is said to be considerably in excess of book values.

Midland Loan

Established in 1872, Midland Loan & Savings Co., Port Hope, confines its mortgage investments entirely to Ontario. Business is conducted on a strictly cash basis, no credit being taken for interest on mortgages and other investments due or accrued, unless actually paid.

Improvement in earnings in 1941 to $10.54 per share from $8.20 in 1940 was largely due to elimination of write-offs of investments for general depreciation, which absorbed $20,000 in 1940.

Debentures and deposits declined to $2.1 millions in 1941, but securing assets increased to $3.1 millions. Liquid assets were up almost $60,000 at $690,632 while mortgages and interest declined around $40,000 to $2.4 millions.

Northern Canadian

Northern Canadian Mortgage Co., Winnipeg, operates a loan business in the western provinces. Agency business is carried on through a wholly-owned subsidiary, Northern Canadian Agencies Ltd.

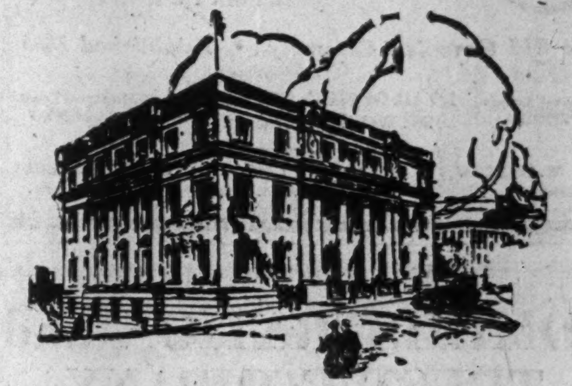
Net profit of $5,931 in the year ended March 31, 1941, compared with $3,303 in 1940 was the highest net reported since 1935. Dividend of 25 cents per share was paid July 1, 1941, on the 6% $25 par value preferred stock, the first payment on the preferred since Jan., 1932. During the 1941 fiscal year bank loan was reduced by $3,000 to total $17,000 at the end of the year.

(Continued on page 14)

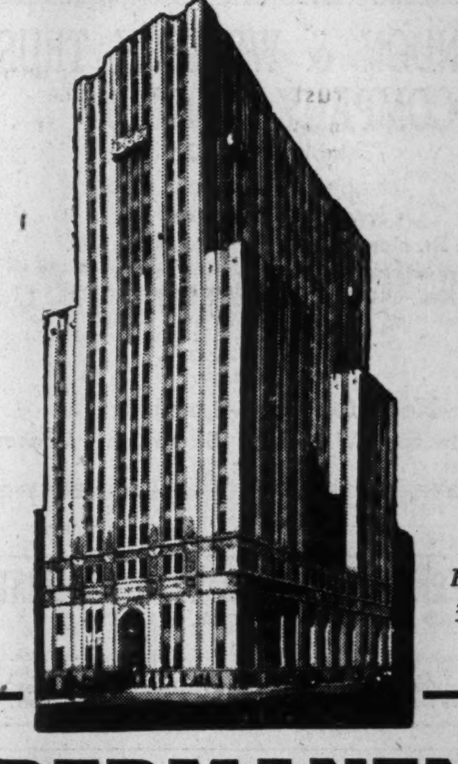
THE
GREY & BRUCE TRUST & SAVINGS CO.
OWEN SOUND, ONT.

Authorized Capital....	$1,000,000.00
Capital Fully Paid....	544,700.00
Reserves Exceed.....	200,000.00
Total Assets.........	5,827,897.53

C. A. FLEMING, *President*
O. E. MANNING, *Managing-Director*



Head Office—Montreal
CREDIT FONCIER FRANCO-CANADIEN
Established in 1880
Loans on First Mortgages
General Manager R. de Roumefort
Assistant General Managers Marcel Pasquin, Armand Chevalier
General Secretary
Head Office, Montreal
Branches:
Quebec, Toronto, Vancouver
Regina, Edmonton, Winnipeg



President F. GORDON OSLER
First Vice-President JOHN A. ROWLAND, K.C.
Second Vice-President E. D. GOODERHAM
Head Offices 320 Bay St., Toronto

CANADA PERMANENT MORTGAGE CORPORATION

For over 86 years "CANADA PERMANENT" has been safeguarding the savings of Canadians, and making those savings available for Canadian construction and growth.

Through these years it has earned the confidence of investors and the Corporation continues to justify the trust reposed in it, as a safe depository for savings.

THE CANADA PERMANENT TRUST COMPANY

Each year since its foundation The Canada Permanent Trust Company has expanded its services.

The total of Assets entrusted to the Company for Administration now amounts to $52,036,875.45, the highest figure in the Company's existence of more than a quarter century.

The Company acts as: Executor ... Trustee ... Administrator ... Stock Transfer Agent and Registrar ... Attorney for Executors and Trustees. The Company also undertakes Collections ... Investments ... Real Estate Management ... and safekeeping of valuables in Safety Deposit Vaults.

Branches
HALIFAX • SAINT JOHN • WOODSTOCK (Ont.) • BRANTFORD
TORONTO • WINNIPEG • REGINA • EDMONTON • VANCOUVER

Will he have the TIME?

The man at the desk is a busy, competent executive.

Matters for immediate attention; matters pending or for future reference are piled up before him. Conferences with department managers are numerous.

Confronted by this multitude of duties, he does not relish the possibility that he may be appointed as executor of a friend's Will.

Is it good business to burden such men with the management of an estate?

—But there is an executor that fully qualifies to do all things well for your estate — The Canada Trust Company.

The CANADA TRUST COMPANY
"Faithful — Permanent — Economical"
London, Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Regina, Edmonton, Vancouver, Victoria

Loan Companies Reviewed

(Continued from page 13)

Montreal Loan

Principal activity of Montreal Loan & Mortgage Co. is loaning funds on first mortgage. Debentures and deposits had been steadily declining for a number of years, and the statement for 1941 shows the complete elimination of these two items.

Real estate mortgages, less reserves, at the end of 1941 were $1.1 million, a decrease of some $50,000 on the year. Real estate holdings at $284,637 were down around $30,000.

Earning position shows relatively little change in 1941, net profits per share were $1.87 compared with $1.89 in 1940. Dividends of $1.25 per share were paid against $1.34¾ in 1940.

Montreal Loan was incorporated in 1858 as the Montreal Permanent Building Society, assuming its present name in 1875.

Mtge. Corp. of N. S.

Mortgage Corp. of Nova Scotia, Halifax, confines its activities to Nova Scotia with all loans on real estate being located in that province. No branch offices are operated.

Several years ago a policy was adopted of withdrawing gradually in some districts where conditions have proved unsatisfactory. This policy was continued in 1941, during which year the Halifax business again increased substantially. In 1941 net profit declined to $5.15 a share from $5.62 in 1940. Dividends were paid at the annual rate of $5 per share, a reduction from the previous $6 annual rate having been made in 1940.

Debentures and deposits at the end of 1941 amounted to $441,918 a decrease of some $10,000 on the year. Liabilities were secured by assets totalling over $1.4 million. Mortgages and agreements held for sale on real estate dropped around $27,000 during 1941, to total $1,396,351 at the end of the year.

Niagara Falls Loan

Niagara Falls Loan and Savings Co. Niagara Falls, succeeded Niagara Falls Building, Savings and Loan Association in 1936. Investments are all in government or government guaranteed securities.

Improved results were secured in 1941 with a net profit being 2.61% on paid in capital as compared with 1.99% in 1940. A regular dividend of 2% was continued.

The company does not accept deposits while debentures outstanding were reduced during 1941 to $90,460 from $151,380 in 1940.

Northern Mortgage

Northern Mortgage Co. of Canada, Winnipeg, is in process of liquidation. A total of $1 per share was distributed as return of capital in 1941; $2 was paid in 1940 and 50 cents in 1939. Another 50 cents was paid Feb. 1, 1942. On completion of this last payment the nominal capital remaining was $8 per share, of which $5 is fixed and the balance refundable if and when collected. There has now been repaid to shareholders over $2¾ millions out of a total capital and debenture stock paid in of a little over $3 millions, and directors emphasize that the properties and mortgages remaining are the least desirable of those originally held. Future realizations will, of necessity, be slow and losses in connection therewith certain.

In 1941 there was a net profit of a little over $917. Reserves previously set up, however, were insufficient by $25,215 to absorb losses sustained during the year on sale of properties, adjustments of mortgages and forfeiture of property for non-payment of taxes. The net result, therefore, was the impairment of shareholders' capital account by $21,897. This impairment had been anticipated for some time and it is stated that it will undoubtedly increase as further realizations are made and losses definitely ascertained. Such impairments, however, will not affect the general plan of further capital distribution as and when cash is available.

Nova Scotia Savings

Nova Scotia Savings, Loan & Building Society established in 1850 has its head office at Halifax and representatives throughout Nova Scotia and New Brunswick. Since this is a co-operative society dividends are not paid on stock but are credited to the shareholders' accounts. The present rates are 6% and 5% per annum, compounded monthly.

Mortgage department was quite active during 1941 with mortgages held at the end of the year at $4.3 millions, comparing with $4 millions at the previous year end. In this regard officials do not view the outlook for the current year as bright, due to the restrictions on building materials. However, the society expects to maintain a fair volume of new business through old properties changing hands.

Real estate holdings continued their decline and at the end of 1941 amounted to only $1,249 as compared with $9,114 at the previous year end. This consists of only one property which is under negotiation for sale at a profit. Debentures and deposits increased to over $2.8 millions from over $2.4 millions during the year, despite heavy withdrawals for investment in war loan.

Okanagan Investments

Okanagan Investment Co., Kelowna, B.C., acts as a broker, real estate and insurance agent. Subsidiary Okanagan Loan & Investment Trust Co. handles the estates, trust and agency business.

Main investments consist of Dominion, municipal and corporation bonds, mortgages, real estate and some common stocks. Recent policy has been to avoid mortgage investments except in exceptional cases.

During the year ended June 30, 1941, net profits declined to $2.29 a share from $2.76 in the 1940 fiscal year. With this drop in earnings the annual dividend rate was reduced to 2% from 3%. Total assets as at June 30, 1941, amounted to $479,225, compared with $481,378 at the previous fiscal year end.

The company succeeded Okanagan Loan & Investment Trust Co. in 1936.

Ontario Loan

Ontario Loan & Debenture Co. in its 71st annual report for the year ended Dec. 31, 1941, stated that the improving trend in mortgage payment apparent in 1940 continued in 1941. Throughout the year mortgage repayments were very satisfactory and a substantial volume of loans to new home owners was necessary to maintain the total of mortgage investments which increased to $12 millions from $11.8 millions.

Liquid assets improved some $240,000 to $4.4 millions. Total liabilities to the public increased to $12.5 millions from $12.1 millions with securing assets at the end of 1941 being $17 millions. Total of debentures outstanding in Great Britain was decreased by $209,921 during the year as sterling debentures fell due.

While gross earnings improved during 1941, higher taxes reduced final net profit to $5.10 a share from $5.38 in 1940. The regular dividend of $5 per share was maintained.

Ontario Loan was incorporated in 1870, has its head office in London, Ontario, and does not operate any branches. Most of its mortgage investments are on Ontario property.

Real Estate Loan

Real Estate Loan Co. of Canada has its mortgage investments largely in Ontario and Manitoba. The company does not accept savings deposits or issue guaranteed certificates. Liabilities to the public are in the form of debentures with the majority of these being payable in sterling. In 1941 debentures outstanding were reduced to $573,190 from $617,899 with sterling debentures being cut to $548,643 from $582,953 in 1940. Securing assets total $1.3 million of which mortgages amounted to $851,203. The company curtailed mortgage loans somewhat during 1941.

Net profit in 1941 amounted to $2.39 a share as compared with $2.30 in 1940 with the regular dividend of $2 per share maintained. Interest due on Vancouver and Edmonton mortgage account has been written off entirely, and interest due in Winnipeg and Toronto has been written off for periods of six months or over.

Real Estate Loan was incorporated in 1879, has its head office in Toronto and agents in Winnipeg, Vancouver, Edmonton, and financial agents in Edinburgh, Scotland.

Société de Prêts

La Société de Prêts et Placements de Québec, has head office in Quebec and invests chiefly in mortgages. Liabilities to the public are small, the total at the end of 1941, entirely deposits, being a little over $78,000. This total was secured by assets of over $1.2 million.

Liquid assets in 1941 declined about $160,000 to $60,649, while mortgages increased $240,000 to $984,496.

Net profits in 1941 were reduced by higher taxes to $2.25 per share from $3.35 in 1940. Dividend of $5 per share was repeated in 1941, being made possible through profit on the sale of fixed assets and realization of investments whose value had been covered by reserves.

Société Nationale

Société Nationale de Fiducie, Montreal, accepts trust funds and deposits but has its principal activity in the management of estates. At the end of 1941 estates under administration amounted to $16.4 millions, as against $17 millions the previous year end.

Earnings in 1941 declined slightly to 18.09% of subscribed capital as compared with 18.82% in 1940. Dividends, which are based on subscribed rather than paid-up capital, have recently taken the form of cash disbursements plus credit to shareholders on the unpaid balance of their shares. As a result, paid-up capital now amounts to $200,000 as compared with $187,500 at the end of 1940. Subscribed capital remains unchanged at $250,000.

Toronto Mortgage

Toronto Mortgage Co., Toronto, confines its mortgage investments to the Ontario field. In 1941 the company reported that collections during the year had been excellent, owing to more lucrative employment conditions, and all interest over six month past due was written off. Consequently the revenue taken credit for during the year consisted of actual cash receipts only.

While the company accepts deposits, public liabilities are almost entirely in the form of debentures which totalled $2.8 millions at the end of 1941, as compared with $2.9 millions at the end of 1940. During the year sterling debentures were decreased by $138,000 while currency debentures were increased by $61,000. Liquid assets during the year improved to $1.3 million from $1.2 million, while mortgages declined around $160,000 to $3.8 millions. Net profit in 1941 amounted to $4.78 per share, as compared with $4.88 per share in 1940, with dividend of $5 per share comparing with the total of $5.50 paid in 1940.

Western Homes

Western Homes Ltd., Winnipeg, confines its business chiefly to mortgages on Winnipeg urban properties. At last report approximately 73% of mortgage investments were city loans while 27% were on farms. Bonds and improved real estate constitute the major portion of the remaining assets.

The company has no liabilities to the public.

Yarmouth Building

Yarmouth Building & Loan Society, Yarmouth, N.S., confines its mortgage investment to the Province of Nova Scotia. The company has been in operation since 1876 and was incorporated in its present form in 1880.

Statement for 1941 shows total assets of $289,107 as compared with $287,495 in 1940. Mortgages are up from $20,000 to $283,449. Net profit in 1941 equalled 4.9% on paid up capital, compared with 6.4% in the previous year, with a $1,500 increase in taxes partially accounting for the decline in earnings.

Trust and Loan Company Interest Held by Many

Function of trust and loan companies as important savings institutions is sometimes lost sight of amid the manifold variety of other services offered by these firms. While generally included in the category of "financial institutions" many in the trust and loan business feel that "savings institution" is a more accurate description of their business.

These companies are engaged in collecting the savings of thousands of Canadians for future delivery; savings which are entrusted to the trust and loan firms to form an investment pool.

The investment funds of these institutions are not the property of a few wealthy individuals, the bulk belongs to people of small and moderate means. The real owners are the factory workers, railwaymen, clerks, merchants, farmers, doctors, stenographers, machinists, engineers, laborers, all who own loan company debentures and have deposits with the trust companies.

For every dollar of the large assets of these companies there is a dollar of liabilities and the principal creditors are thousandes of Canadians of modest means.

Funds Go To War

The proportion of the available investment funds of trust and loan companies diverted from normal channels to subscriptions for war bonds has steadily increased. In peacetime these funds build homes, finance industry, develop farms, construct highways, build hydro-electric plants, public buildings, waterworks and transportation facilities. Now these funds instead of going toward adding to the comforts of life are being used to finance the purchase of guns, shells, aircraft, ships and all the other equipment of war.

This preoccupation with the war is having a material influence on loan company operations as witness the recent remarks of W. H. Gregory, retiring president of the Land Mortgage Companies' Association of Ontario:

"Our activities as mortgage companies are diminishing almost to the vanishing point, but we gladly turn our energies and resources to our country's service, even though profits disappear."

Paying Off Debts

With many individuals receiving higher incomes than for a good number of years repayment of mortgage principal has increased very appreciably. The mortgage firms view this trend as favorable not only from the individual's standpoint but a trend that should be followed by corporations, municipalities and provinces.

General belief of these institutions is that as large a proportion as possible of increased income should be used to reduce debt. This will tend to reduce the burden of carrying the war-inflated Dominion debt when peace comes, will release funds for investment in war bonds and will, in addition, be equivalent to the creation of reserves to finance capital outlays in the postwar period.

Buy War Savings Certificates and War Savings Stamps

FOR seventy-five years this company has been preparing bonds for Canadian municipalities. It is better equipped than at any time in its history to serve municipal needs whether large or small.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company • Established 1866

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HOWARD W. PILLOW, President | CHARLES G. COWAN, Vice-Pres. & Man. Dir. | G. HAROLD BURLAND, Sec.-Treas.

ADMINISTRATION and TRUST COMPANY
(Société d'Administration et de Fiducie)
Established in 1902

EXECUTORS and TRUSTEES

Hon. E. L. PATENAUDE, President
J. THEO. LECLERC, Vice-President and Managing Director

Head Office: MONTREAL
5 St. James St. East

BRANCHES:
Quebec - Winnipeg - Regina - Edmonton - Vancouver

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
Established 1896

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The Rt. Hon. Arthur Meighen, K.C., P.C., President
G. H. Aikins, K.C. — H. R. MacMillan — Ray Lawson, Vice-Presidents
Thomas F. Walker, General Manager

Head Office — London
Toronto Windsor Winnipeg Saskatoon Vancouver Victoria

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
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221 A 8th Ave. W. - - - - - Calgary, Alta.
McCallum-Hill Building - - - - Regina, Sask.
411 Avenue Building - - - - Saskatoon, Sask.

THE Yorkshire & Canadian Trust LIMITED
HEAD OFFICE, HUDDERSFIELD, ENGLAND
Canadian Head Office:
YORKSHIRE BUILDING, VANCOUVER, CANADA
Over 50 Years of efficient service in British Columbia as
EXECUTOR — TRUSTEE — ADMINISTRATOR
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W. L. WALDIE, Trust Officer
VICTORIA, B.C. OFFICE—600 VIEW ST. R. H. EDGELL—Manager

The Brockville Trust and Savings Company
Brockville, Ont., Canada

Paid-up Capital	500,000.00
Reserve Fund	200,000.00
Investment Reserve	70,290.99
Profit and Loss	13,934.24
Total Assets	2,652,131.01

DIRECTORS
J. Gill Gardner, President
Geo. T. Fulford, M.P., Vice-President
L. C. Dargavel, Managing-Director
F. H. Fulford F. I. Ritchie
Rt. Hon. Geo. P. Graham, P.C., A. G. Parish, K.C.
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British Canadian Trust Company
Incorporated by Special Ordinance of the Northwest Territories of Canada (1901 Chapter 35) to Act as
Executor, Administrator, Trustee, Guardian, Authorized Trustee in Bankruptcy, Mortgage Loans, Rental Agents
INSURANCE
Fire, Plate Glass, Automobile, Hail, Liability, Burglary, Guarantee Bonds
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Guardian, Committee of Estates of persons mentally unsound and of Estates of Absentees.
Receiver, Assignee, Liquidator and Authorized Trustee under the Bankruptcy Act.
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Ask one of our officers to explain how we can render you constructive, economical service.

CAPITAL TRUST CORPORATION LIMITED
21 Richmond Street West, Toronto
MONTREAL OTTAWA

Real Estate Loan Co. of Canada Limited
521 Confederation Life Building, Toronto 2, Ont.
Capital paid up 500,000
Reserve 215,000
Loans made on Improved Real Estate at Current Rates.
M. A. MACKENZIE, LL.D., President — HENRY BORDEN, K.C., Vice-Pres.
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Administrator — Executor
Trustees for Bond Issues
Transfer Agent and Register
Liquidator
VICTOR MORIN—President
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HENRI OUIMET—Assistant General Manager
41 St. James St., West
MONTREAL

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HEAD OFFICE 10 St. James St., West Montreal — BRANCH 132 St. Peter St., Quebec

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Established 1895 — Assets $10,710,756.25
Authorized to act as:
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Directors
Mr. William Flavelle — Mr. J. B. Begg
Mr. Wesley Walden — Mr. F. G. Perrin
Mr. W. E. Reesor — Mr. H. J. McLaughlin, K.C.
Head Office: LINDSAY, ONT. Branch: CANNINGTON, ONT.

Trust Companies Reviewed

(Continued from page 12)

Lambton Trust

Lambton Trust Co., Sarnia, is a subsidiary of the Lambton Loan & Investment Co. It confines itself entirely to the management of estates and does not accept deposits or issue debentures.

During 1941, estates under management rose by nearly 12% to total $520,930, a new record high for the company. Net earnings in 1941 amounted to $10,709, compared with $9,689 in 1940. This was equal to 3.4% on paid-up capital, compared with 4.06% in 1940, the decline on this basis being due to the fact that the company's outstanding 6,297 shares of $50 par value are now all fully paid up. The regular dividend of 4% was maintained during the year.

London & Western

London and Western Trusts Co. in April of this year paid a dividend of $1 per share, marking the first dividend to be paid by this company since 1932. This declaration reflected the satisfactory condition despite the inroad which taxes made upon earnings in 1941.

During 1941 estates, trusts and agencies under administration increased over the preceding year by over $2 millions to total $40.3 millions, notwithstanding the fact that 1941 was an active year in the matter of distribution to beneficiaries.

Of the total bonds held in guaranteed account of over $800,000 over $600,000 consists of Dominion guaranteed bonds. Of total mortgages of $1.6 million held in guaranteed account the total of $1.5 million is on Ontario real estate. Of the total bonds held in capital account of $200,000, $142,000 consists of Dominion and Dominion guaranteed bonds. Head office is in London, Ont., with branches at Toronto, Windsor, Winnipeg, Saskatoon, Vancouver and Victoria. Regional boards are stationed at Toronto, Winnipeg and Vancouver.

Maritime Trust

Maritime Trust Co., Saint John, N.B., through its head office at Saint John, branch at Charlottetown, P.E.I., and agencies in Summerside, P.E.I., and Fredericton, N.B., carries on its principal dealings with the public in the handling of estates. It does not accept deposits or issue guaranteed trust certificates. At the end of 1941 total estates under management amounted to $2.8 millions as compared with $2.6 millions at the end of 1940.

Earnings in 1941 dropped to 2.59% on paid-up capital as compared with 4.82% in 1940. The decrease was due to higher taxes and also to the decrease in the amount earned by the administration of estates. The company explains that this latter item is always a variable one and will fluctuate from year to year, the year just past being one of those in which fewer estates for administration and closing out passed through company hands than for some considerable period of time. The dividend for 1941 of 2½% compares with the 5% paid in the previous two years.

General investment policy of the company has been continued with the character of its assets consisting almost entirely of Dominion, provincial and high-grade municipal bonds.

Montreal Trust

One of the largest trust organizations in Canada, Montreal Trust Co. earnings in 1941 declined to $4.14 a share from $5 in 1940. Its estates, trusts and agencies departments have been quite active, with the result that assets under administration at the end of 1941 totalled $865.2 millions, up about $8 millions on the year. This was reflected by increased earnings. Its corporate trust department, however, has not shown the same activity, due to the almost complete lack of corporation borrowing through the medium of bond issues. Similar conditions have also been apparent in the transfer department, where the company acts as agent for other companies in the transfer and registration of their shares, this being due almost entirely to the continued inactivity of the stock market. These conditions combined to bring about a decline in the year's net profit showing. However, the regular dividend of $4 a share was maintained.

Trust funds held at the end of 1941 amounted to over $15.9 millions, an increase of approximately $600,000 on the year. Securing assets totalled $21.6 millions.

Head office of the organization is located in Montreal, with branch offices in Halifax, Toronto, Charlottetown, Winnipeg, Edmonton, Vancouver, St. John's, Nfld., Nassau, B.W.I., and London, England.

National Trust

One of the larger trust companies in Canada, National Trust Co. was established in 1898. Head office is in Toronto, with branches in Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton.

Accounts handled now total over $300 millions, with estates and trusts under management at the end of 1941 totalling $283.7 millions, as compared with $274.9 millions at the end of 1940. Trust certificates and deposits amount to $42 millions, which are secured by $27.2 millions of assets. Liquidity ratio at the end of 1941 was 76.6% against 74.21% at the end of 1940.

Despite the increase of over $39,000 in taxes in 1941, business increased sufficiently during the year to allow a final net profit showing of $8.34 per share, against $8.24 in the previous year. The regular dividend of $8 per share was maintained.

Nova Scotia Trust

Particular expansion in the estates department of Nova Scotia Trust Co. is shown in the 1941 report with this account at the end of the fiscal year amounting to $10.8 millions compared with $9.4 millions at the end of the fiscal year ended February 28, 1941. The company has its head office at Halifax and operates a branch at Sydney. Mortgage investments are entirely confined to Nova Scotia.

During 1941 liabilities to the public increased to $1.7 million from $1.4 million while securing assets increased to $2.5 millions from $2.1 millions. Liquid assets showed a particularly sharp increase to $552,205 from $115,050. Mortgages held in the guaranteed trust account declined some $70,000 to $1.2 million. Net profit on the year was $8.64 per share compared with $11.07 in the previous fiscal year, the decline being largely due to increased taxation. The dividend of $7 per share which has been paid for 23 years without a break was maintained. The company's general reserve fund of $250,000 now amounts to 50% of capital.

Osler & Nanton

Osler & Nanton Trust Co. was incorporated in 1911, has its head office in Winnipeg and operates no branch offices. It is controlled by Osler, Hammond & Nanton Ltd. who act as managers.

No earning figures are issued. At the end of 1941, estates, trusts and agency account totalled $3.3 millions with total assets of $4 millions. Mortgages and agreements are shown at $205,104 with real estate holdings at $56,426.

Premier Trust

With taxes tripled during the year net profit of Premier Trust Co. in 1941 declined to 3.68% of paid up capital from 5.13% in 1940. Owing to this decline the annual dividend rate was cut to $3 per share from the previous rate of $4.

Liabilities to the public showed practically no change during 1941 to total $2.9 millions at end of the year. Liquid assets increased by about $150,000 to $1.2 million while mortgages decreased to $1.6 million from $1.8 million. A drop of $2.1 millions in estates, trusts and agencies to $7.9 millions during the year was accounted for by the deletion from this account of an amount which arose from bond trusteeship along with estates closed out during the year.

The Premier Trust has its head office in Toronto with branches being operated in London and St. Catharines. Practically all of its mortgage investments are in Ontario. The 1941 report stated that the new office building in Toronto was practically fully rented during the entire year.

Prudential Trust

While war conditions had curtailed operations in the stock transfer and bonds trusteeship departments of Prudential Trust Co. The company was able to report an improvement both in the volume of business and in the net profits for 1941. It is primarily interested in the administration of estates, trusts, and agencies which account at the end of 1941 amounted to $2.6 millions. Net profit in 1941 was $7,970 as compared with a loss of $1,271 in 1940. The company has not paid any dividends since 1939. Only liability to the pulbic is accounts payable which amount to a little over $9,000 against which there are substantial liquid assets.

Prudential Trust has head office in Montreal with branches in Toronto, Calgary, Vancouver and Regina.

Royal Trust

One of the largest trust companies in the Dominion, Royal Trust Co. has its head office in Montreal. Total assets of $742 millions at the end of 1941 were down $17 millions on the year, due largely to the winding up of some personal holding companies under the Royal Trust management, and the requisitioning by the Bank of England of securities held by Royal Trust for English clients. Liquid assets amount to approximately $14.5 millions, against indebtedness of $9.8 millions, or a coverage of 148%.

Of its bond holdings over 66% mature within 10 years and over 74% mature by the end of the 11th year. Higher taxation, lack of activity in the security market, and increased succession duties, cut 1941 net profit back to $3.30 per share from $3.59 in 1940. Guaranteed account of $4 millions is secured by assets totalling $10.9 millions.

Sherbrooke Trust

Sherbrooke Trust Co., Sherbrooke, Que., started business in 1874 and primarily serves the Eastern Township areas. Partly as a result of higher taxes, net profits in the year ended Sept. 30, 1941, declined to $6.01 per share from $9.95 per share in 1940. The regular dividend of $6 per share was maintained.

The company's holdings of Dominion of Canada bonds were a little more than double the total of the previous year. Liabilities to the public on the year showed a small decline to $1.7 million. Liquid assets improved from $50,000 to $926,920, while mortgages declined about $60,000 to $1.2 million.

Sterling Trusts

Sterling Trusts Corp., Toronto, operates a branch in Regina, Sask. All mortgage investments and guaranteed trust accounts are located in the Toronto area, this account totalling $1.8 million at the end of 1941, an increase of $41,000 of the year.

Guaranteed trust funds at close to $2.4 millions at the end of 1941 were up $163,000 on the year to a new record high for the company. Liquid assets at almost $500,000 were up about $130,000. Estates, trusts and agencies at $5.5 millions compared with $5.9 millions at the end of 1940.

Net earnings in 1941 at $43,663 were the highest since 1931. However, an increase of $2,400 in taxes cut net profit back in the 1940 level of $3.29 a share. Regular dividend of $3 per share was paid.

Sun Trust

Sun Trust Ltd., Montreal, showed a substantial gain in assets under administration during 1941, with a total of $24.2 millions at the end of the year as compared with $15.5 millions at the end of 1940. The company has been in business since 1912, with assets under administration at that time amounting to $8.6 millions. A branch office is maintained at Quebec City.

Some improvement in earnings was experienced in 1941 with net per share on the year working out to $5.58 as compared with $5.38 in 1940. Regular dividend of $5 per share was repeated.

Estates under administration have increased to $9.4 millions from $8.8 millions at the end of 1940, while other assets under administration were some $30,000 lower at $6.3 millions. Liabilities in guaranteed accounts increased about $140,000 to $548,470, while securing assets increased to $922,371, up approximately $160,000.

Toronto General

Toronto General Trusts Corp. was incorporated in 1872 and is one of the older and larger companies in the field. With head office in Toronto, branches are operated in Montreal, Ottawa, Windsor, Winnipeg, Regina, Saskatoon, Calgary and Vancouver.

In its 60th annual report for 1941 the company shows an increase in estates business to $225 millions from $218.1 millions in 1940. Assets in the hands of the company now total $248 millions, a new high.

Higher taxes in 1941 reduced net profit to $7.14 a share from $7.60 a share in 1940. Regular dividend of $4 per share was maintained.

During 1941 investment certificates declined to $10.9 millions from $11.3 millions, while deposits moved down some $40,000 to $6.8 millions. On the other hand, liquid assets improved to $6.3 millions from $5.9 millions, while mortgages declined to $11.4 millions from $12.2 millions.

Trusts & Guarantee

Trusts and Guarantee Co., incorporated in 1897, has head office in Toronto, and operates branches in Brantford, Windsor, Winnipeg and Calgary. Appreciably improved results were secured in 1941 with net profit on the year being $7.46 a share as compared with $6.43 in 1940.

During the year trust funds for investments declined some $400,000 to $6 millions, while savings deposits showed a very slight decline to $2.9 millions. At the same time mortgages and agreements for sale moved down over $400,000 to $6.1 millions. Total liabilities to the public of $8.3 millions were secured by assets totalling $10.6 millions. Estates, trusts and agency account at the end of 1941 amounted to $39.6 millions as compared with $41.8 millions at the end of 1940.

Trust & Loan

Trust and Loan Co. of Canada was incorporated in 1843. From its head office in London, England, it operates at Montreal, Winnipeg and Regina.

In the year ended March 31, 1941, the company enjoyed continued betterment in its financial status, largely due to better operating conditions in western Canada. However, higher taxation in the United Kingdom and Canada lowered net earnings to £28,578 from £40,969 in 1940.

Debentures outstanding were reduced to £384,951 from £506,218 at the end of the previous year. Mortgage investments in Canada were reduced during the year to £1.6 million from £1.7 million in 1940. Investment interest in this company is largely confined to the United Kingdom.

Victoria Trust

Victoria Trust & Savings Co. maintains its head office at Lindsay, Ont., with a branch office at Cannington, Ont. For 1941 the company reported general conditions affecting the mortgage business showed improvement but out of increased earnings higher taxes had to be paid, with the result that net profit on the year amounted to $4.70 a share, as compared with $4.71 in 1940. Dividends of $4 a share were paid during the year as compared with $4.50 in 1940.

Greater part of its mortgage holding is located in and around Lindsay and Toronto. A small proportion is invested in Saskatchewan.

During 1941 an increase of almost $200,000 was experienced in trust deposits which totalled $1.8 millions at the end of the year. An increase of over $200,000 is shown in liquid assets account at $1.9 millions, while mortgages at $5.3 millions are down some $90,000. The estates, trust and agency accounts at $1.8 millions improved around $60,000 on the year.

Waterloo Trust

Waterloo Trust & Savings Co., Waterloo, Ont., operates branches at Kitchener, Galt and Preston. Mortgage investments are confined largely to Waterloo County, City of Toronto and a few loans elsewhere in Ontario.

The deposit end of the company's business is particularly active, with total deposits at the end of 1941 amounting to $7.2 millions, as compared with some $6.8 millions at the end of 1940. Liquid assets improved over $300,000 in 1941 to $4.7 millions, while mortgages held almost unchanged at $6.6 millions. Estates under administration increased to $8.2 millions from $7.9 millions.

Due largely to higher taxes, net profits in 1941 declined to $8.72 a share from $9.61 a share in 1940. The regular dividend of $5 a share was maintained. This dividend has been paid regularly since 1933.

Western Trust

Western Trust Co. has head office in Winnipeg and branches in Regina and Edmonton. Mortgage investments are located entirely in the three prairie provinces.

Results in 1941 were considerably improved with net profit per share equalling $1.93 as compared with 27 cents in 1940. Although the western Canada wheat crop was appreciably smaller than in 1940, collections for the year by the company on mortgages were up over 40%. Reason is that a substantial part of the large 1940 wheat crop was marketed under the quota system of delivery, and came in during 1941. The company is operating on a strictly cash basis.

During 1941 liabilities to the public in the form of guaranteed funds for investments declined over $133,000 to a total of $772,283. Securing assets at $1.7 million were down about $100,000. Estates under administration at $5.2 millions showed an increase of about $50,000.

Westminster Trust

In operation since 1904, Westminster Trust Co. derives its income largely from the mortgage business. Head office is located at New Westminster, B.C.

No annual report has been issued to the public in recent years.

Yorkshire & Canadian

Yorkshire and Canadian Trust Ltd. conducts a general trust business and also acts as registrar and transfer agent. With head office in Vancouver and a branch in Victoria this is one of the oldest financial companies in British Columbia, having opened its Vancouver office in 1888, one year after it was established in England. Head office of the company is in Huddersfield, England.

A recent financial statement is not available.

Yield Well Maintained By Loan Firm Shares

Despite many conflicting factors during the year only very minor changes took place in the yield basis of trust and loan company shares. Market prices held quite steady.

While much higher taxes in 1941 generally tended to narrow the margin of dividend coverage by net profits in most cases that coverage is adequate and trust and loan shares have retained their customary high investment status.

In the face of difficult conditions these firms have been able to maintain their gross revenues to a notable degree. Outlets for conservative investment of their funds have continued to narrow, forcing them into low interest bearing securities. Stock market inactivity and light corporate bond borrowings have adversely affected earnings of the stock transfer and bond trusteeship departments. Taxes are reducing the size of estates and a greater volume of estates must now be handled to maintain revenues from this department. Notwithstanding all these factors most firms have managed so efficiently during the past year that earnings before taxes made a good comparison with the previous year.

In many cases collections on mortgages are better today than they have been for some time due to improved business conditions and this has meant an improvement in the quality of the shareholder's equity.

Investment in trust and loan firms can take three directions: shares, deposits or debentures. The shares of many companies are listed on the exchange. Trading is usually light as the stock is generally held for long term investment purposes. For dozens of trust and loan companies there is a steady local interest in their shares. The larger companies may have their shares listed, but the many smaller, local units get their capital at home. On deposits an annual interest rate of 2% is usually paid.

A wide investment interest is located in the debentures issued by these firms. Usually issued for a term of three to five years, most of these debentures pay interest at a rate of 3% to 3½% annually. The investor in this form of security has little worry about market fluctuations for he is guaranteed return of his entire capital at maturity plus interest in the meantime. A market for such debentures is maintained, principally by bond dealers.

Record of Trust and Loan Shares

	Mar. 31, 1942			Mar. 31, 1941			Mar. 30, 1940		
	Div. Rate $	Yield %	Price $	Div. Rate $	Yield %	Price $	Div. Rate $	Yield %	Price $
Canada Perm. Mtge.	8	6.5	122	8	6.2	128	8	5.5	146⅛
Chartered Trust	4	4.2	95	4	4.4	90	4+1	3.9	101⅛
Huron & Erie	4	7.7	52	4	7.2	56	4	5.8	69
Landed Banking	4	7.4	54	4	8.9	45	4	7.4	54
National Trust	8	5.7	140	8	5.3	150	8	4.2	190
Ont. Loan & Deb.	5	4.5	112	5	4.8	105	4	4.5	110
Real Estate Loan	2	8.3	24	2	8.3	24	2	8.3	24
Toronto Gen. Trusts	4	5.5	72½	4	5.4	74	4	4.5	88
Toronto Mtge.	5	6.5	77	5	6.3	79	5⅛	6.5	83

THE NOVA SCOTIA TRUST COMPANY
Annual Statement
February 28, 1942

Net Earnings	$ 74,661.32
Guaranteed Funds now amount to	$ 1,777,070.41
Estates, Trusts and Agencies	$10,858,233.74
Paid-up Capital	$ 500,000.00
Reserve Fund	$ 250,000.00
Total Assets Exceed	$13,500,000.00

Melvin S. Clarke — *President*
Bernard P. Saunders — *Vice-Pres.*
R. W. Elliot — *Vice-President*

DIRECTORS
C. W. Anderson, Hon. W. H. Dennis, L. A. Forsyth, K.C., George E. Graham, A. N. Jones, Geo. H. Murphy, M.D., W. C. MacDonald, K.C., M.P., A. A. McIntyre, K.C., J. E. Rutledge, K.C, M.L.A., M. J. Wardrope, M.C., John A. Young.

R. W. Elliot — *Managing Director*
G. R. Harrison — *Manager and Secy.*

The NOVA SCOTIA TRUST COMPANY
Head Office:
HALIFAX - NOVA SCOTIA
Branch at Sydney, N.S.

ALL THE FACILITIES OF A WELL ORGANIZED TRUST COMPANY
THE PREMIER TRUST COMPANY
LONDON — TORONTO — ST. CATHARINES
Copy of Annual Report Mailed on Request

The British Mortgage and Trust Corporation of Ontario
Founded in 1877
STRATFORD, ONTARIO
Paid Up Capital $1,000,000.00
Reserves ..... $ 825,000.00
2½% on Trust Deposits
3½% on Guaranteed Investment Certificates
Hon. Nelson Monteith, President
W. H. Gregory, Managing Director
SIXTY-FIFTH YEAR

COMPETENT AND CONTINUOUS ADMINISTRATION
of your estate is assured when you name this company as your executor or trustee. Individuals die, resign and too often prove incompetent, but our perpetual life and expert service insures wise administration.
We will be glad to serve you in any capacity of trust.
MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

THE STERLING TRUSTS CORPORATION
TORONTO REGINA
DIRECTORS AND OFFICERS
President and General Manager
CHAS. BAUCKHAM
Vice-President
A. W. BRIGGS, K.C.
W. H. WARDROPE, K.C. LORNE JOHNSON
JOHN HALLAM DR. S. J. BOYD
CHAS. H. BURGESS JOHN R. BOYS
JAMES R. LOVATT, Secretary
J. M. SMILLIE, Mortgage Officer
E. R. MEREDITH, Estates Officer
L. MARTIN, Transfer Officer
V. H. EDWARDS, Manager, Real Estate Dept.
C. H. YOUNG, Rentals Officer
J. S. HAMILTON
Manager, Regina, Sask., Branch
Incorporated in Nineteen Hundred and Eleven
668

THE ONTARIO LOAN AND DEBENTURE COMPANY
London - Ontario
Incorporated and Established 1870
Capital $2,000,000 Reserve Fund $2,400,000
Assets (31st December, 1941) $17,261,451
DIRECTORS: Archibald McPherson, *President*
Surplus of Assets over Liabilities to the Public $4,560,468
Thomas H. Main, *Vice-President*
J. McClary Gunn
O. Roy Moore
James B. Orr
J. Edgar Jeffery
MANAGER: Thomas H. Main
Assistant Manager Joseph P. Dewan
SAVINGS DEPOSITS
subject to withdrawal by cheque
DEBENTURES ISSUED
Interest payable half-yearly by coupons or, under accumulative debentures, may be left to accumulate at compound interest until maturity. The Company's Debentures are a legal investment for Trust Funds, which may also be deposited in the Company's Savings Department.
Offices: — Dundas Street, Market Lane, Market Square
London, Ontario

Company Reports

Northern Electric

Reflecting greater activity in the manufacture of essential war materials, Northern Electric Co. reports gross income in 1941 of $4.2 millions, as against $2.7 millions the year before. Largely because of heavier tax provisions, net profit dropped to $1.21 a share, compared with $1.43 in 1940.

Financially the company's position showed a strengthening last year, with $1.3 million being added to net working capital. This was reflected in larger inventories and accounts receivable.

Income and Surplus Account
Year Ended Dec. 31

	1941 $	1940 $
Gross income	4,238,857	2,761,112
Less: Plant reserve	360,000	......
Depreciation	986,654	966,828
Directors' fees	10,600	10,600
Exec. salaries	101,231	99,255
Legal fees	11,068	8,900
Add: Other income	47,116	97,402
Net revenue	2,816,420	1,772,931
Less: Interest	74,510	61,474
Tax provision	1,760,000	555,000
Net profit	981,910	1,156,457
Less: Dividends	567,000	486,000
Pension fund	300,000	300,000
Surplus	114,910	370,457
Add: Previous surplus	4,229,736	3,859,279
Surplus forward	4,344,646	4,229,736

Working Capital Position

	1941 $	1940 $
Current assets	16,702,777	13,897,591
Current liabilities	4,297,995	2,806,419
	12,404,782	11,091,172

Balance Sheet Changes

	1941 $	1940 $
Merchandise	7,698,941	5,860,317
Accts. receivable	6,732,548	4,978,294
Cash	1,094,645	1,586,249
Pension notes	2,064,422	1,764,422

Ault & Wiborg

The first two months of 1942 showed an increase in sales and, with all subsidiaries now on a profitable basis, the present outlook is good, states A. C. Ransom, chairman, in the 1941 report of Ault & Wiborg Proprietary Ltd. A new product developed satisfactorily during 1941 contributed substantially to profits. The company first marketed in 1940 this new line which included an ink for printing textiles, replacing former dyeing methods and two new types of oils which can act as substitutes for tung oil and rape-seed oil.

Mr. Ransom points out that because of the increasing difficulties in obtaining raw products and chemicals of all kinds and the probabilities of further governmental war-time restrictions affecting business in general, it is not possible to make a forecast as to future business.

Annual meeting will be held at head office, Toronto, April 21.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	355,480	229,718
Add: Inc. and invest.	16,696	15,653
Less: Taxes	145,852	83,293
Net profit	226,324	162,078
Less: Pref. divds.	24,728	24,728
Com. divds.	72,000	90,000
Surplus for year	131,596	47,350
Add: Prev. surplus	234,324	249,630
Less: W/o stks. & bds.	16,369	48,657
Prior yr. tax adj.	......	13,998
Surplus forward	345,552	234,324
Earnings per Share:		
Preferred	$50.56	$36.05
Paid	5.50	5.50
Common	4.46	3.05
Paid	1.60	2.00
Working capital	809,573	748,545

Blue Top Brewing

Blue Top Brewing Co., Kitchener, reports a large gain in both gross and net profits in 1941 over the previous year. On the class A shares, the company earned $9.67 a share last year against $6.37 a share in 1940. Regular 60c. a share dividends were paid in each year.

Balance sheet at Dec. 31, last, shows a moderate decline in working capital with cash down to $2,129 from $84,880 and a bank overdraft of $10,303 appearing. Inventory is higher by $70,000 at $178,078. Dominion bonds at $247,500 compare with $197,500 a year ago and are not included in current assets.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross oper. profit	1,122,594	876,127
Add: Other income	35,241	27,173
Total income	1,157,835	903,300
Less: Sell., admin. exp.	673,625	521,683
Exec. salaries	48,337	47,707
Directors' fees	4,000	2,500
Legal fees	25	199
Other admin. exp.	64,775	53,082
Inc. & E. P. taxes	191,000	162,309
Net profit*	176,073	115,820
Less: Class A divd.	10,920	10,920
Surplus for year	165,153	104,900
Add: Prev. surplus	506,883	405,171
Less: Addit. taxes	28,968	3,263
Loss on equip.	1,026	†75
Earned surplus fwd.	699,979	506,883
†Profit.		
*After depreciation	49,627	39,327
Earned per Share:		
Class A	$9.67	06.37
Paid	0.60	0.60
Shares O/s:		
Class A, $10 par	18,200	18,200
Class B, n.p.v.	38,207	38,207

Working Capital

	$	$
Current assets	270,979	285,084
Current liabilities	186,914	188,754
Working capital	84,065	96,330

Sarnia Bridge

Volume of business for Sarnia Bridge Co. in 1941 was nearly double 1940, states R. M. Norton, president. He adds that working capital can take full advantage of extra business together with heavy inventories and extra machinery required.

Net profits were $2.02 a share on the class A stock, without allowing for participation feature, against $1.18 a share in 1940. No dividends have been paid on this stock since 1931, leaving arrears at $22 a share at Jan. 1, 1942. Bank loans are reduced from $43,000 to $17,000 and $16,000 in Dominion bonds, plus $8,269 in cash, are held.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net oper. profit	146,725	63,922
Less: Exec. salaries	21,395	20,234
Depreciation	25,250	7,947
Income & E. P. tax.	75,856	21,562
Net profit & surplus	24,222	14,179
Less: Prev. deficit	16,360	30,352
Prior year adjust.	*487	187
Surplus forward	8,349	†16,360
*Credit item. †Deficit.		
Earned on Class A	$2.02	$1.18
No dividends paid.		
Shares O/s:		
Class A, n.p.v.	12,000	12,000
Class B, n.p.v.	15,000	15,000

Working Capital

	$	$
Current assets	346,604	246,773
Current liabilities	175,740	95,409
Working capital	170,864	151,364

Canada Iron

Operating at full capacity Canada Iron Foundries reported expansion in total income to nearly $1.3 million. However, a sharp increase in depreciation reserve and tax provision reduced net profit to $16.18 on the common stock, as against $17.87 a share the year before. During the year the company spent $515,000, most of it made necessary by war work and authority has been granted by the War Contracts Depreciation Board to write off such portion during 1941 and 1942.

Income and Surplus Account
Year Ended Dec. 31

	1941 $	1940 $
Total income	1,291,213	988,171
Less: Depreciation	245,635	59,038
Exec. salaries	77,905	73,124
Bad debt res.	5,000	5,000
Legal fees	1,200	589
Tax provision	470,000	332,000
Net profit	491,473	518,417
Less: Pfd. dividends	232,668	232,668
Com. dividends	95,934	95,934
Surplus	161,871	189,815
Add: Prev. surplus	1,294,944	1,106,870
Less Employee res.	25,000	......
Loss on sec.	206	1,741
Surplus forward	1,432,610	1,294,944
Earned on Common	$16.18	$17.87

Working Capital

	1941 $	1940 $
Current assets	2,467,712	2,387,685
Current liabilities	1,087,594	932,951
Working capital	1,380,118	1,454,734

Balance Sheet Changes

	1941 $	1940 $
Properties	3,441,987	3,221,935
Inventory	1,528,721	908,237
Cash	......	333,681
Bank overdraft	149,497	......

Quebec Pulp

Quebec Pulp & Paper Corp. continues inoperative except the machine shop in Chicoutimi presently being utilized for the production of war material. Consolidated loss for the year amounted to $261,777 compared with $249,360 for 1940.

As in past years the president, A. Stewart McNichols, reports no solution has been reached as regards reestablishment of operations.

Consolidated balance sheet at the end of 1941 showed further expansion in the claims by Province of Quebec and a reduction in investments from $321,995 to $263,666.

Viau Ltd.

Viau Ltd., Montreal biscuit manufacturers, experienced a sharp increase in business during the year ended Jan. 31 last. Gross earnings advanced nearly $90,000 to $595,631, while net profit of $98,100 was equal to $1.13 a share on the common stock. This contrasts with net profit of $58,100 or 24 cents a share in the 1941 fiscal year.

Principal change in the balance sheet position was reduction in the bank loan from $180,000 to $70,000.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	595,631	508,023
Less: Oper. expenses	376,257	305,622
Insurance	2,465	2,342
Interest, etc.	7,730	15,987
Bad debt reserve	10,000	13,500
Depreciation	44,812	46,019
Add: Sundry revenue	1,993	6,065
Less: Income tax	58,259	70,662
Net profit	98,100	58,100
Less: Pfd. dividends	47,300	47,300
Surplus for year	50,800	10,800
Add: Prev. surplus	*144,540	96,189
Less: Depreciation	36,396	......
Bond premium	......	4,212
Surplus forward	158,944	102,776
*Adjusted.		

Working Capital

	1941 $	1940 $
Current assets	598,013	534,406
Current liabilities	241,044	297,997
Working capital	356,969	236,409

Caldwell Linen

Sales volume of Caldwell Linen Mills Ltd. in 1941 was largest in its history, H. H. Caldwell, president, reports, and the plant operated at capacity. He states that raw materials, with the exception of linen yarns, are all produced on this continent and supply is reasonably satisfactory. Need for linen yarns has been minimized in recent years by transfer of production from linen to part linen and cotton goods. Price ceilings have been met satisfactorily.

The company spent $120,771 last year on plant and equipment, completing the modernization programme started in 1938 and costing $257,193. This programme broadened the company's line to include manufacture of bath towels.

Earnings last year were substantially above the previous year at $107,323 compared with $74,960 in 1940. Capital changes effected in connection with financing last November make a complete comparison difficult.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	347,592	128,967
Less: Depreciation	26,969	18,707
Income & E. P. taxes	213,300	35,300
Net profit	107,323	74,960

Working Capital
Dec. 31, 1941

	$
Current assets	481,972
Current liabilities	209,519
Working capital	272,453

Crown-Dominion Oil

Crown-Dominion Oil Co. reports largest volume of business in its history for 1941, with sales up $302,400 to $1.4 million. Net profit of $15,120 is about 2½ times that of 1940. Earnings on the common were 19 cents a share in 1941 against seven cents in 1940.

H. K. Wood, president, states the great demand for petroleum products would continue were it not for shortage of rubber and gasoline rationing. Extent to which motoring will be curtailed is not known but problems of the marketing branch will be great, he states.

Operating Account
Years Ended Dec. 31

	1941 $	1940 $
Revenue	1,357,605	1,091,473
Less: Cost of sales	1,023,047	753,202
Expenses	319,438	332,900
Net profit	15,120	5,371

Working Capital

	$	$
Current assets	163,057	100,523
Current liabilities	103,938	67,988
Working capital	59,119	32,535

Capital Wire

Increased taxation reduced the amount that might otherwise have been available for shareholders of Capital Wire Cloth & Manufacturing Co. in 1941, states T. L. Dunbar, president. Activities continued at capacity equal to the raw material and labor that could be secured. Possible shortages of standard raw materials, particularly tin which is an integral part of phospor bronze warp wire, as well as of skilled labor is faced this year.

Last year the company earned $1.18 a share on its common against 69 cents in 1940. Dividends paid totalled 50 cents compared with 75 cents for the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	92,811	59,121
Add: Other income	1,733	1,031
Net earnings	94,544	60,152
Less: Depreciation	10,547	10,379
Taxes	39,374	17,420
Net profit	44,623	32,353
Less: Pref. divds.	15,000	15,000
Common divds.	12,500	18,750
Surplus for year	17,123	*1,397
Add: Prev. surplus	175,445	179,130
Adjustments	2,412	†2,288
Earned surplus fwd.	194,980	175,445
*Deficit. †Deduction.		
Earned per share:		
Preferred	$4.46	$3.24
Paid	1.50	1.50
Common	1.18	0.69
Paid	0.50	0.75
Shares o/s.:		
Preferred, n.p.v.	10,000	10,000
Common, n.p.v.	25,000	25,000

Working Capital

	$	$
Current assets	236,506	193,251
Current liabilities	42,940	24,698
Working capital	193,566	168,553

Hamilton Bridge

Volume of business obtained by Hamilton Bridge Co. in 1941 was very satisfactory and the character of the work done changed materially, states F. W. Grant, president. At the Hamilton and Vancouver plants extensive changes and preparations have been largely completed to handle war orders. Production is now well under way at both places.

Net profits were equivalent to 71 cents a share on the common stock against 67 cents for 1940. The company's share of the $2,639 net profit of Dominion Rustproofing Co. has not been included in the accounts.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net oper. profit	813,062	451,325
Add: Spec. contract	38,000	......
Invest. income	3,490	4,076
Discounts earned	2,075	712
Total net income	856,627	456,113
Less: Exec. remun.	20,275	19,700
Directors' fees	3,000	3,700
Legal fees	3,544	......
Depreciation	153,866	99,352
Bad debt prov.	4,233	38,366
Income & E. P. taxes	401,673	127,215
Conting. reserve	75,000	......
Miscel. adjust.	......	3,420
Net profit & surplus	195,037	164,360
Add: Previous surplus	81,616	*82,744
Earned surplus fwd.	276,653	81,616
*Deficit.		
Earned per share	$0.71	$0.67
No dividends paid.		
Shares o/s., n.p.v.	244,750	244,250

Working Capital

	$	$
Current assets	2,723,387	1,844,004
Current liabilities	2,163,802	1,206,971
Working capital	559,585	637,033

Balance Sheet Changes

	$	$
Accts. rec.	850,562	639,743
Inventories	1,864,192	894,668
Less: Paymts. uncomp. contracts	628,114	......
Fixed assets	2,234,702	1,688,466
Less: Depreciation	369,654	183,300
Bank loans & o'rdraft	1,119,716	692,946

Sussex Ginger Ale

Sussex Ginger Ale, Ltd., Sussex, N.B., reports a substantial increase in case sales in 1941, with output largest in its history. On the preferred stock, earnings were $2.45 a share against $1.83 in 1940.

Working capital is improved and a bank loan of $6,500 at the end of 1940 has been repaid in full. Cash of $7,822 compares with $2,957 a year earlier.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross profit	234,384	174,236
Less: Depreciation	17,716	14,952
General exps.	175,705	134,254
Directors' fees	1,001	980
Exec. remun.	5,212	3,600
Taxes	16,350	6,700
Net profit	18,399	13,751
Less: Pref. divds.	12,000	12,000
Surplus for year	6,399	1,751
Add: Prev. surplus	28,598	27,172
Sale of assets, etc.	745	......
Less: Organ. exp. w/o	4,507	......
Adjustments	......	325
Earned surplus fwd.	31,235	28,598
Earned per share:		
Preferred	$2.45	$1.83
Paid	1.60	1.60
Common	1.60	0.49
No dividends paid.		
Shares o/s.:		
Preferred, $40 par	7,500	7,500
Common, n.p.v.	4,000	4,000

Working Capital

	$	$
Current assets	151,450	118,268
Current liabilities	46,801	28,025
Working capital	104,649	90,243

Goulds Pumps

Goulds Pumps Inc., Seneca Falls, N.Y., reports considerably increased business in 1941 over 1940. On the preferred, $29.17 a share was earned against $26.96 in 1940. Regular $7 a share dividends were paid, leaving arrears unchanged at $42 a share.

One of the company's plants is stated to be operating 75% on war work and the other 100%.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross profit	1,082,375	835,480
Less: Expenses	719,352	605,193
Income charges	4,560	11,255
Income & E. P. tax.	140,196	17,527
Net profit	218,267	201,506
Less: Pref. divds.	52,325	52,325
Surplus for year	165,942	149,181
Add: Prev. surplus	693,342	593,532
Hydro sale profit	......	55,000
Less: Loss N. Y. prop.	......	104,372
Earned surplus fwd.	859,284	693,342
Earned per Share:		
Preferred	$29.17	$26.96
Paid	7.00	7.00
Common	22.20	19.96
Shares o/s.:		
Preferred, $100 par	7,475	7,475
Common, $50 par	7,475	7,475

Working Capital

	$	$
Current assets	2,240,109	1,567,861
Current liabilities	846,706	268,666
Working capital	1,393,403	1,299,195

Sterling Rubber

Sterling Rubber Co., Guelph, makers of seamless rubber products, reports net profits of $21,031 for 1941 against $19,446 in 1940. On the preferred earnings were $21.03 in 1941 and $19.45, in 1940. On common last year's profits were $5.81 a share compared with $5.16 in 1940. Regular 6½% dividends were paid on the preferred and $2 a share on the common.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	35,861	29,781
Less: Taxes	14,830	10,335
Net profit	21,031	19,446
Less: Pref. divds	6,500	6,500
Com. divs.	5,000	5,000
Surplus for year	9,531	7,946
Add: Prev. surplus	70,106	63,345
Adjustments	36	*1,185
Earned surplus fwd.	79,673	70,106

Working Capital

	$	$
Current assets	140,840	114,673
Current liabilities	53,779	37,531
Working capital	87,061	[illegible]

Record of Trust and Loan Companies

TRUST COMPANIES

Company	Year	Liabilities: Total Liabilities to Public $	Distribution of Assets: Liquid Assets $	Mortgages $	Other Net Assets $	Total Securing Assets $	Shareholders' Position: Net Profit $	Net per Sh. $	Paid per Sh. $	Surplus Forward $	Trusts: Estates, etc. $
Acadia Trust	1941	812,835	769,179	43,656	*1,038,610	1,851,445	39,324	19.66	19.00	38,610	6,179,940
*Capital acct. assets, less tax reserve & accts. pay.	1940	783,580	768,862	14,718	*1,037,870	1,821,450	54,359	27.18	19.00	37,870	5,857,503
British Canadian Trust	1941	142,947	*90,093	22,295	200,147	312,535	12,143	8.86	5%	283	1,198,207
*Cap. acct. assets, less curr. & def. liab. & reserves.	1940	112,389	*90,184	22,205	199,380	311,269	10,409	7.60	5%	647	1,254,280
British Mortgage & Trust	1941	5,753,214	2,382,136	3,371,078	1,872,608	7,625,822	86,685	8.67	8.00	47,508	850,301
	1940	5,643,354	1,983,468	3,659,886	1,865,823	7,509,177	80,988	8.10	8.00	40,823	1,120,663
Brockville Trust & Savings	1941	847,066	283,744	563,322	713,935	1,561,001	27,123	2.71	2.87½	13,934	986,977
	1940	965,188	304,215	660,973	715,560	1,680,748	29,146	2.91	2.87½	15,561	927,223
Canada Permanent Trust	1941	1,016,575	141,185	875,389	1,517,428	2,534,002	79,991	7.99	6.00	107,428	52,036,875
	1940	1,060,043	87,269	972,774	1,491,281	2,551,324	84,300	8.43	6.00	91,281	51,930,431
Canada Trust	1941	7,498,652	1,761,473	5,661,923	1,671,771	9,095,167	88,462	8.84	6.00	71,771	28,932,184
	1940	7,651,054	1,649,849	6,001,205	1,668,375	9,319,429	106,804	10.68	8.00	68,375	28,186,385
Capital Trust	1941	5,380,188	2,122,961	3,257,227	1,050,448	6,430,636	31,794	3.59%	2%	5,082	8,840,763
	1940	5,308,000	1,925,671	3,382,329	1,058,748	6,366,748	47,131	5.32%	...	13,570	8,240,374
Central Trust of Canada	1941	1,129,154	81,066	1,048,088	132,191	1,261,345	6,144	6.13%	6.00	31,983	4,627,380
	1940	1,042,220	5,865	1,036,355	134,602	1,176,822	6,598	6.58%	6.00	31,851	4,437,013
Chartered Trust & Executor	1941	5,176,582	4,600,734	575,848	1,339,531	6,516,113	52,567	5.25	4.00	89,530	21,413,827
	1940	4,074,526	3,516,363	558,163	1,326,964	5,401,490	54,424	5.44	4.00	226,963	20,241,836
Crown Trust	1941	1,466,419	1,199,254	267,165	1,449,657	2,916,076	40,853	4.08	4.00	49,656	39,882,531
	1940	1,667,280	1,365,254	302,026	1,448,004	3,116,084	44,041	4.40	4.00	48,804	37,204,525
Eastern Trust	1941	6,114,157	4,516,644	1,597,514	1,376,949	7,491,103	80,299	8.03	8.00	26,949	57,399,803
	1940	5,047,565	3,387,991	1,659,574	1,376,650	6,424,215	80,390	8.04	8.00	26,649	56,011,013
Equitable Trust	1941	240,914	735,982	531,861	93,955	1,361,798	....	...	...	20,884	......
	1940	384,726	725,380	557,962	116,400	1,399,742	....	...	...	15,016	......
Fidelity Trust	1941	16,857	73,030	367,659	172	440,861	†1,674	...	...	†3,001	......
†Deficit. ‡Liabilities.	1940	11,094	47,271	391,292	‡838	437,725	30	...	...	†1,103	......
General Trust	1941	2,075,986	2,075,986	......	1,311,269	3,387,255	57,026	5.18	5.00	206,269	49,680,773
	1940	1,766,336	1,766,336	......	1,309,243	3,075,579	62,720	5.70	5.50	204,243	49,747,574
Grey & Bruce Trust & Savings	1941	3,308,541	2,375,358	978,672	619,700	3,973,730	41,147	7.55%	5%	.....	1,707,324
	1940	3,102,774	2,103,245	1,000,528	619,700	3,723,473	45,024	8.27%	5%	.....	1,685,028
Guaranty Trust	1941	1,812,824	1,545,864	260,960	384,932	2,191,756	18,294	6.10	5.00	23,931	9,831,056
	1940	1,198,700	921,323	277,377	381,637	1,580,337	16,039	5.35	5.00	20,637	8,802,463
Guelph Trust	1941	516,445	117,409	399,036	533,517	1,049,962	23,435	7.74	5.00	80,016	4,873,017
	1940	529,107	68,082	461,025	525,206	1,054,313	26,249	8.64	5.00	71,706	4,615,315
Industrial Mortgage & Trust	1941	3,617,108	1,707,931	1,792,177	1,326,935	4,827,043	27,271	2.15	2.00	32,169	1,085,035
	1940	3,649,975	1,539,735	1,922,239	1,238,298	4,700,272	26,517	2.09	2.00	30,298	1,061,663
Lambton Trust	1941	......	142,151	243,999	*5,581	380,569	10,709	3.4%	2.00	15,120	520,930
*Excess of curr. liabs. over real est. held for sale.	1940	......	106,368	199,854	*366	305,856	9,689	4.1%	2.00	17,005	466,260
London & Western Trust	1941	2,598,776	898,515	1,700,261	1,558,400	4,157,176	26,351	2.17	1.00	44,699	40,377,974
	1940	2,237,045	568,922	1,668,755	1,544,185	3,781,862	30,486	2.51	...	30,485	38,142,328
Maritime Trust	1941	......	214,764	......	1,518	*201,346	4,442	2.59	2½%	29,970	2,824,650
*After curr. liab. of $14.936 in 1941 & $19.627 in 1940.	1940	......	215,052	......	1,478	*196,903	8,266	4.82	5%	25,528	2,623,594
Montreal Trust	1941	15,957,545	15,877,883	79,662	5,644,018	21,601,573	331,429	4.14	4.00	634,028	865,268,872
	1940	15,372,964	15,293,302	79,662	5,632,600	21,005,564	400,167	5.00	4.00	632,599	857,287,318
National Trust	1941	22,004,873	13,788,199	8,216,674	5,245,557	27,250,430	250,151	8.34	8.00	495,556	283,778,196
	1940	22,588,959	13,683,476	8,905,483	5,235,405	27,824,364	247,274	8.24	8.00	485,405	274,939,287
Northern Trusts	1941	609,891	3,141	606,749	*1,112,694	1,722,584	41,185	1.37	...	206,786	14,490,408
*Invest. res. not deducted.	1940	814,392	2,493	811,899	*1,081,106	1,895,498	17,672	0.59	...	165,601	14,782,622
Nova Scotia Trust	1941	1,777,070	552,205	1,224,866	770,104	2,547,175	*43,206	8.64	7.00	20,104	10,858,234
*After write-offs and transfers to reserves.	1940	1,412,769	115,050	1,297,719	763,855	2,176,624	*53,103	10.62	7.00	18,855	9,424,194
Osler & Nanton Trust	1941	......	116,417	205,104	......	......	....	...	...	.....	3,331,237
Premier Trust	1941	2,902,848	1,220,926	1,681,922	1,360,744	4,263,592	45,339	3.68%	3.00	3,506	*7,966,116
*After delet. of amt. arising from bond trusteeship.	1940	2,909,946	1,077,387	1,832,559	1,371,207	4,273,541	63,201	4.13%	4.00	4,106	10,180,512
Prudential Trust	1941	......	129,621	2,957	......	......	7,970	4.55	...	100,951	2,664,582
*Loss.	1940	......	125,687	3,165	......	......	*1,271	...	...	92,981	2,562,858
Royal Trust	1941	4,010,437	4,010,437	......	6,977,142	10,987,579	330,932	3.30	3.20	977,141	725,132,623
	1940	3,709,815	3,709,815	......	6,966,210	10,676,025	359,087	3.59	3.20+.80	966,210	733,760,581
Sherbrooke Trust	1941	1,705,819	926,920	1,246,198	126,518	2,299,636	18,036	6.01	6.00	29,783	3,963,425
	1940	1,738,705	871,310	1,308,225	160,701	2,340,236	29,859	9.95	6.00	29,747	4,104,154
Sociéte Nationale de Fiducie	1941	584,678	481,921	......	631,588	1,113,609	43,133	18.09	10%	43,364	16,404,641
	1940	543,702	440,945	......	618,980	1,059,925	47,705	18.82	10%	43,133	17,075,762
Sterling Trust	1941	2,390,381	499,059	1,891,322	883,056	3,273,437	26,381	3.29	3.00	29,755	5,506,202
	1940	2,226,884	376,472	1,850,412	881,241	3,108,125	26,363	3.29	3.00	28,440	5,730,530
Sun Trust	1941	548,470	548,470	......	*373,901	922,371	13,950	5.58	5.00	40,795	9,437,481
*Capital assets.	1940	406,030	406,030	......	*363,672	769,702	13,442	5.38	5.00	39,349	8,819,737
Toronto General Trusts	1941	17,791,113	6,317,395	11,473,717	5,003,804	22,794,916	214,144	7.14	4.00	503,804	225,090,056
	1940	18,234,110	5,989,837	12,244,273	4,959,660	23,193,770	228,047	7.60	4.00	459,660	218,101,739
Trusts & Guarantee	1941	8,397,392	2,876,543	6,110,849	1,604,088	10,591,480	92,628	7.31	2.00	336,588	39,608,533
	1940	9,401,035	2,883,506	6,517,529	1,536,764	10,937,799	81,499	6.43	2.00	269,263	41,862,789
Victoria Trust & Savings	1941	7,320,934	1,932,490	5,388,444	1,520,989	8,841,923	38,094	4.70	4.00	694	1,836,073
	1940	7,194,918	1,723,748	5,471,170	1,620,295	8,815,213	38,182	4.71	4.50	1,343	1,776,850
Waterloo Trust & Savings	1941	11,357,789	4,755,056	6,602,733	1,425,920	12,783,709	87,228	8.72	5.00	25,920	8,264,446
	1940	11,035,954	4,412,940	6,623,014	1,422,999	12,458,953	96,147	9.61	5.00	22,999	7,991,367
Western Trust	1941	272,283	......	248,143	1,478,520	1,726,663	19,302	1.93	...	49,002	5,238,050
	1940	405,760	......	381,620	1,461,265	1,842,885	2,724	0.27	...	29,700	5,284,832

MORTGAGE COMPANIES

Company	Year	Liabilities to Public: Debentures $	Deposits $	Total Liabs. to Public $	Distribution of Assets: Liquid Assets $	Mortgages $	Other Net Assets $	Total Securing Assets $	Shareholders' Position: Net Profit $	Net per Sh. $	Paid per Sh. $	Surp. Fwd. $
Canada Permanent Mortgage	1941	36,128,320	17,262,751	53,391,071	*12,466,790	48,663,340	4,806,903	65,937,033	565,357	†9.86	8.00	405,963
*Including 98% of stock of Canada Permanent Trust	1940	37,843,921	17,105,827	54,949,748	*11,844,705	50,654,155	4,851,494	67,350,354	539,097	†9.84	8.00	400,606
Central Canada Loan & Savings	1941	......	......	......	4,656,319	94,072	52,003	4,802,394	202,607	8.10	8.00	402,394
	1940	......	......	......	4,645,661	96,679	57,448	4,799,788	203,944	8.16	8.00	199,787
Credit Foncier Franco-Canadien	1940	14,967,852	......	14,967,852	5,697,362	26,753,658	3,949,950	36,400,970	428,383	...	140 fr.	307,898
	1939	15,969,484	......	15,969,484	4,477,949	27,622,707	5,350,803	37,451,459	426,026	...	145 fr.	295,198
Debenture Co. of Canada	1941	......	......	......	192,223	*21,684	322,102	536,009	716	0.14	2%	7,280
*Tax sale certificates.	1940	......	......	......	......	......	......	......	1,267	0.26	2%	6,565
Eastern Canada Loan & Savings	1941	2,840,925	835,463	3,676,388	761,872	4,009,378	74,387	4,845,637	56,357	7.51	7.00	4,249
	1940	2,884,869	724,072	3,608,941	578,905	4,089,058	106,371	4,774,334	53,647	7.15	7.00	392
Guelph & Ontario Investment & Savings	1941	2,428,919	1,321,255	3,750,174	923,116	3,902,446	440,492	5,266,054	76,366	3.95	3.00	31,245
	1940	2,451,702	1,241,475	3,693,177	873,773	3,869,773	465,028	5,208,574	78,051	4.04	3.00	30,761
Empire Loan	1941	15,281	*148,385	163,666	11,027	701,125	......	712,152	†8,381	...	...	†90,657
*Mortgages payable. †Deficit.	1940	20,083	*165,114	185,197	11,805	737,120	......	748,934	†717	...	...	†82,276
Home Investment & Savings	1941	48,721	170,657	219,378	706,773	432,640	208,393	1,347,806	19,364	1.94	...	28,539
	1940	73,773	186,027	259,800	649,614	503,779	314,982	1,465,375	10,523	1.06	...	9,175
Hudson Bay Mortgage	1941	......	......	......	......	†64,474	......	......	1,527	...	...	*13,021
*Deficit. †Includes agreements for sale.	1940	......	......	......	......	†60,144	......	......	656	...	...	*14,438
Huron & Erie Mortgage	1941	25,227,791	9,841,442	35,323,411	6,186,974	30,860,329	5,073,412	42,120,715	247,846	4.95	4.00	197,304
	1940	26,235,444	9,960,569	36,463,216	5,887,037	32,159,664	5,070,474	43,117,175	255,460	5.11	4.00	153,958
La Compagnie Fonciere de Manitoba	1941	38,911	932	39,843	2,592	635,587	......	638,179	*7,434	...	...	*23,723
*Deficit.	1940	38,911	1,179	40,090	2,754	647,823	......	650,577	*2,935	...	...	*15,222
La Societe de Prets et Placements	1941	......	78,052	78,052	60,649	984,496	200,865	1,246,010	18,011	2.25	5.00	114,836
	1940	......	64,488	64,488	228,878	745,082	256,744	1,230,704	26,763	3.35	5.00	112,221
Lambton Loan & Investment	1941	1,606,081	961,537	2,567,617	892,113	2,679,511	*550,890	4,122,514	46,779	2.96	2.50	65,147
*Including Lambton Trust Co. stock.	1940	1,622,724	1,005,921	2,638,645	827,906	2,748,409	*599,936	4,176,251	50,348	3.19	2.00	57,855
Landed Banking & Loan	1941	483,317	854,211	1,337,528	642,623	2,099,640	*264,025	3,006,288	48,682	4.86	4.00	27,563
*Invest. res. of $41,197 not deducted.	1940	526,148	873,998	1,400,146	574,364	2,213,879	*278,981	3,067,224	57,014	5.70	4.00	25,881
Midland Loan & Savings	1941	2,797,176	395,099	2,192,275	690,632	2,463,168	*52,516	3,101,284	37,936	10.54	8.00	53,608
*Less excess of curr. liabs. over other assets.	1940	1,821,136	383,178	2,204,314	632,094	2,502,909	*46,218	3,088,785	29,513	8.20	8.00	44,472
Montreal Loan & Mortgage	1941	......	......	31,297	93,112	†1,121,049	245,840	1,460,001	44,940	1.87	1.25	10,001
†Less reserves.	1940	54,200	500	80,364	65,788	1,170,637	277,839	1,514,264	45,331	1.89	1.43¾	9,563
Mortgage Corp. of Nova Scotia	1941	392,916	49,002	441,918	35,360	1,396,351	26,944	1,458,655	35,432	5.15	5.00	3,431
	1940	406,807	44,381	451,188	26,945	1,423,145	23,098	1,473,188	38,264	5.62	5.00	1,999
Niagara Falls Loan & Savings	1941	90,460	......	32,722	212,301	788,925	‡14,215	987,011	20,186	2.62%	2%	10,580
‡Liabilities.	1940	151,380	1,094	24,347	154,435	894,940	‡5,066	1,044,309	15,461	1.99%	2%	9,632
Northern Canadian Mortgage	1941	......	......	......	24,607	168,085	......	......	5,931	d0.99	‡0.25	24,569
	1940	......	......	......	16,432	196,841	......	......	3,303	d1.19	...	†22,337
Northern Mortgage	1941	......	......	2,397	21,454	135,393	78,653	235,500	917	...	...	*21,897
*Deficit.	1940	......	......	4,020	24,578	169,788	123,938	318,304	2,073	0.70	...	2,400
Nova Scotia Savings Loan & Building	1941	2,324,131	566,592	2,890,723	290,216	4,363,473	2,372	4,656,061	72,684	...	...	159
	1940	2,056,199	441,474	2,497,673	253,447	4,024,364	20,311	4,298,122	84,928	...	...	450
Okanagan Investments	1941	......	......	......	26,822	31,854	......	......	9,264	2.29	2%	5,791
	1940	......	......	......	40,265	31,510	......	......	11,117	2.76	3%	3,282
Ontario Loan & Debenture	1941	8,633,373	3,897,815	12,531,188	4,441,211	12,047,383	*553,062	17,044,556	205,579	5.14	5.00	110,468
	1940	8,676,863	3,470,706	12,147,569	4,200,323	11,866,672	*590,464	16,657,459	215,263	5.38	5.00	109,889
Real Estate Loan	1941	573,190	......	573,190	153,558	*851,203	295,833	1,300,594	11,993	2.39	2.00	18,606
*After deducting reserve of $60,000.	1940	617,900	......	617,900	91,673	*854,161	403,678	1,349,512	11,524	2.30	2.00	16,613
Toronto Mortgage	1941	2,854,306	151,528	3,005,834	1,339,685	3,862,150	99,562	5,301,397	94,306	4.78	5.00	119,399
	1940	2,930,988	147,494	3,078,482	1,228,363	4,024,808	100,557	5,353,728	96,208	4.88	5.50	123,473
Trust & Loan of Canada	1941	£384,951	......	......	£324,242	£1,660,135	......	......	£28,578	...	...	£35,847
	1940	£506,218	......	......	£362,080	£1,759,851	......	......	£40,969	...	...	£27,269
Yarmouth Building & Loan Society	1941	19,750	......	19,750	435	283,449	......	......	8,911	4.9%	5%	2,177
	1940	19,850	......	19,850	10,004	263,465	......	......	11,974	6.4%	6%	2,480

Municipal Finances

Sudbury 1942 tax rate at 45 mills is the lowest rate since 1931 and compares with 47 mills in 1941. The rate was struck on an assessment of $19 millions compared with $18.4 millions in 1941.

* * *

Calgary had a net surplus of $229,848 on 1941 operations. Estimated surplus for the year was $8,802. Total revenue was $3.9 millions and expenditures $3.6 millions. There was a net increase of actual revenue over estimates of $78,828 and a net decrease of actual expenditures from estimates of $143,718. On current accounts tax collections in Calgary in 1941 amounted to 88.01% of the current levy with total collections including arrears amounting to 104.23% of the 1941 levy.

* * *

New Toronto 1942 tax rate has been set at 48.5 mills, the same as 1941. The actual rate was 49.5 mills, less the government subsidy of 1 mill.

* * *

Kingston has shown an appreciable reduction in its per capita net debenture debt in the last few years. In 1936 the net debt per capita was $85 while in 1941 it was reduced to $39. The gross debt per capita dropped from $138 to $77 during the five year period. Mill rate has been reduced from 47 mills in 1936 to 36.2 in 1941 and 35.5 in 1942.

* * *

Weston tax rate has been set at 45 mills, the same as in 1941. The separate school rate is 53.56 mills.

* * *

Ottawa total assessment of property has been placed at $259,461,110. The assessment is an increase of $5,679,489 over 1941 and indicates the construction which has been carried on in the city by the Dominion Government, business firms and private home owners. Taxable assessment for 1942 is $157.2 millions, an increase of $2.1 millions. The difference between the increases in total and taxable assessment figures is attributed to the large scale Dominion Government construction which is not taxable and the government's expropriation of commercial property. In lieu of taxation the government makes an annual payment of $100,000 to the city.

* * *

Meaford, Ont. has set the 1942 tax rate at 42 mills, the lowest in over 20 years. Since 1933, when the town's financial condition made necessary the "pay as you go" system, the rate has been reduced from 55 mills. During that time debenture debt has been cut from over $200,000 to $50,000. Tax rate in 1941 was 45 mills.

* * *

Chesley, Ont. tax rate for 1942 has been set at 35 mills, a six mill reduction from the 1941 rate. This cut was made possible through a 3.3 mill reduction in the Board of Education rate coupled with a reduction of 2.7 mills in the general rate.

* * *

Brantford Twp. 1942 tax rate at 14 mills is down 2 mills from the 1941 rate. Current position of the township improved $20,075 during the year while there was a decrease of $36,134 in tax arrears.

CANADIAN INDUSTRIES LIMITED

From the Annual Report to the Shareholders for the Year 1941 the following Paragraphs have been Selected as being of General Interest to the Public

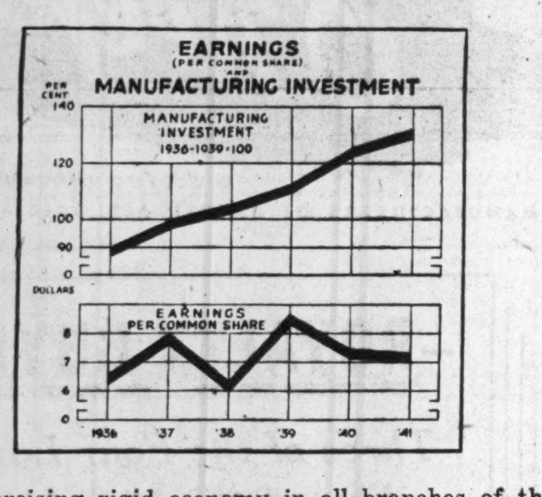
INDUSTRY IN WARTIME

Industry's complete collaboration is essential for the successful execution of the war programme and its major responsibility lies in the efficient utilization of those resources remaining under the control of management. Widespread alterations in the industrial structure have occurred since the outbreak of war and further modifications are resulting from the virtual full employment of all productive elements. The flow of many raw materials and finished products is being directed away from peacetime channels and the insatiable demand for war materials is bringing about extensive changes in the character of industrial output. These adjustments have placed a heavy burden on industrial organizations and the dislocations that inevitably accompany the waging of total war are becoming more pronounced.

The study of post-war considerations is being urged by many sections of the community and there is no doubt that some action taken now can provide the basis for progressive and constructive thinking for the future. When that time comes, new and improved products would help in the maintenance of a high level of output but a decrease in selling prices based on lower costs of production and distribution appears to offer the most effective means of encouraging post-war consumer demand. If productive resources are to be kept fully employed, however, larger reserves of consumer purchasing power should be accumulated during the war years and all non-essential expenditures deferred in order to build up a strong potential demand for the output of industry. New economic problems have always followed in the wake of war but if in Canada a united determination to expand production is fostered, the industrial experience and knowledge acquired within the country since 1939 could undoubtedly be utilized to achieve real material progress.

FINANCIAL REVIEW

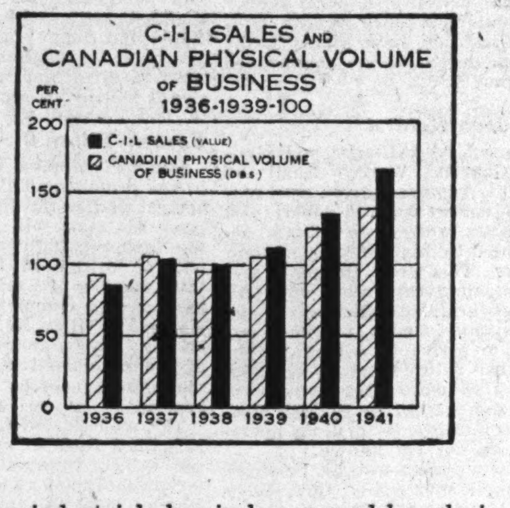
Extensive adjustments in operations and policies to meet the wartime demands, together with higher material prices, advances in labour costs and increases in taxation, offset the effect of the considerably higher volume of sales, and net income for the year at $5,383,000 was slightly below the 1940 level. Since increases in selling prices were of a minor nature, it was possible to limit the reduction in profits only



by exercising rigid economy in all branches of the Company's operations. After deducting income and excess profits taxes at prevailing rates and after allowing for depreciation and all other charges, earnings amount to $7.22 per common share for the year under review and compare with $7.27 per share in 1940 and $8.52 per share in 1939.

OPERATING REVIEW

The demands made on the Company's operating facilities are evidenced by the increase of 25% in the value of 1941 sales over the high level of the previous year, but as a result of the advance in operating costs and the increase in taxation, earnings are slightly lower than in 1940. Company sales fluctuate with general business conditions, but in periods of heightened activity the relative increase in sales has been greater than the advance in total industrial output because of the more widespread uses found for chemicals and the installation of equipment for the manufacture of new products.



Since industrial chemicals are used largely in the manufacturing processes of other products, expenditures for war materials affected Company operations for the most part through the chemical consuming industries. Direct sales of Canadian Industries Limited to the Canadian and British Governments amounted to only 1.9% of total sales although another 2.2% consisted of raw and processed materials consumed by Defence Industries Limited, a wholly-owned subsidiary entirely engaged in the production of military supplies.

Because of the extensive and diversified uses of industrial chemicals the national effort made particularly heavy demands on the Chemical Group and the resulting advance accounts for 46% of the increase in total sales. The impact of the rise in total industrial production was almost as great on the Cellulose Products Group although its activities were largely devoted to meeting the additional requirements occasioned by the expansion in the automotive and aircraft industries and the high level of construction. More intensive cultivation of farm crops increased the use of fertilizers and a further improvement in the output of minerals brought about slightly higher sales of commercial explosives.

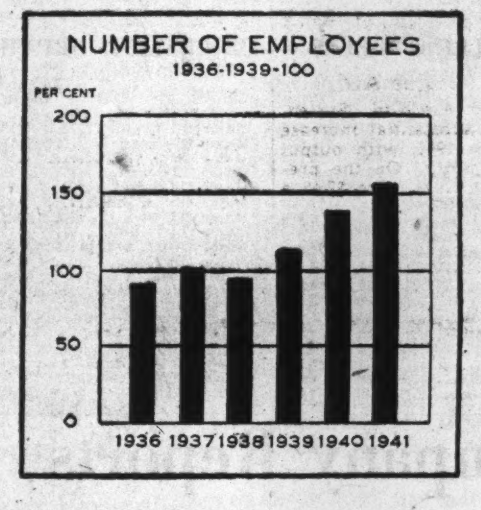
Accompanying the greatly increased levels of production, some of the operating divisions have experienced gradual changes in the character of output in order to assure adequate supplies of chemicals for the manufacture of essential materials, and this tendency will be intensified in the months ahead. Despite these and other heavy demands on its technical staff, already depleted by the release of personnel for munitions production, the Company has striven to maintain productive efficiency and to institute economies in the cost of distribution. Operations have also been considerably influenced by government control and every effort has been made to conform to the regulations. An example of this co-operation is found in the policy adopted with regard to the selling prices of manufactured products where, as a result of the absorption by the Company of increased material and labour costs, average prices for the year are only 2.3% higher than in 1940 as against a much greater advance in the level of general commodity prices.

RESEARCH

In appraising the part played by the chemical industry in the development of the war production programme, the important contribution of research is not always readily apparent. Although the precise nature of much of the work of the chemical and engineering specialists cannot be disclosed, reference can be made in general terms to the new and heavy demands which have been met through the Company's research facilities. Studies of new processes have been undertaken, leading to the erection of plants designed to produce essential materials from available natural resources; investigations have resulted in increased operating efficiency and expanded output in existing plants; technical service has been rendered with a view to aiding customers by recommending alternative processes or substitute materials to take the place of chemicals made scarce because of the requirements of war industries or curtailment of imports. In all of these fields the Company has been greatly assisted by the wide experience and knowledge available through its association with Imperial Chemical Industries Limited and E. I. du Pont de Nemours & Company. Patents as well as specialized technical knowledge, moreover, have been placed at the disposal of the Government for military purposes during the emergency and also the rights to royalties voluntarily surrendered in order that the fullest use might be made of the nation's resources.

EMPLOYEE RELATIONS

In comparison with the wide fluctuations in employment during the previous year, the increase in 1941 was relatively uniform as a more orderly advance in the demand for chemical raw materials permitted better planning of production schedules. There was some falling off in the number of new employees engaged by the Company in the latter part of the year and the increase of 12% for 1941 to 6,000 employees at 31st December compares with an expansion of 23% in 1940. Of the increase a large proportion were women and older men.



No questions of internal policy have received more attention both in the present and in the past than the fulfilment of those obligations which the Company owes to its employees. The practical expression of this concern, beyond fair remuneration and good working conditions, lies in the various industrial relations policies and plans intended to assist in providing a measure of protection for employees and their dependants against the financial consequences of accident, sickness, enforced retirement and death. Through other plans annual vacations with pay are granted, the accumulation and investment of savings is encouraged, and a national service policy has been instituted to deal with the adjustment of income on enlistment in the armed services.

DEFENCE INDUSTRIES LIMITED

The production of explosives, ammunition and chemicals for military purposes, together with shell-filling, is carried on in plants operated by Defence Industries Limited, a wholly-owned subsidiary organized in September 1939 to keep such direct war activities segregated from those representing the established business of the parent Company. The small pre-war plants transferred to the new company operated at capacity throughout 1941, but this output now represents only a very minor portion of the total current volume of production despite its importance in the early part of the war. In order to finance the necessary additions to these pre-war plants and to provide working capital, an amount of $2,000,000 was invested by the parent Company in the capital stock of Defence Industries Limited.

It is the national policy that large-scale production of those products used exclusively for war purposes should be centred in government-owned plants, and the major task of Defence Industries Limited has been the construction and subsequent operation of many such units for the account of the Governments of the United Kingdom and Canada and under the surveillance of the Department of Munitions and Supply and Allied War Supplies Corporation. Entrance into this vast undertaking, involving the manufacture of new products, was made possible by the existence within the parent Company's organization of an accumulated experience in industrial management combined with personnel possessing specialized technical skill and practical knowledge, together with the advice and detailed information made available through its associates in Great Britain and the United States. From each of these sources Defence Industries Limited received all possible assistance to ensure the accomplishment of its objectives effectively and with dispatch. In addition it was essential to be able to rely with assurance on many other industrial concerns who, in the capacities of suppliers and subcontractors, have been called upon and have displayed the utmost energy and resourcefulness in furnishing materials and equipment with a speed that must have placed severe strains on their own organizations.

Expenditures totalling $73,000,000 have been authorized by the Government for the erection of the required plant and equipment to carry out shell-filling and to manufacture cordite, TNT, tetryl, smokeless powder, various types of small arms ammunition and special chemicals for military purposes. Construction was begun in February 1940 and ten new units, many of them major projects, are already in operation. Some conception of the size of the programme can be gained from the fact that employment rose from 4,000 at the beginning of the year to 24,000 employees at the end of December. Included in this figure are many specially trained men and women transferred from the parent Company to provide the core for the subsidiary's management and operating staff.

In accordance with the terms of the contracts signed with the Department of Munitions and Supply the company is provided with funds to cover the cost of construction and operation of the government-owned plants and is paid a management fee which is calculated at a small percentage of the total volume of work involved. The extent of the services performed is indicated by the magnitude of expenditures made for the account of the British and Canadian Governments which, including the amount actually spent on construction, has exceeded $100,000,000 since the outbreak of war. The company's income is derived partly from fees received for the construction and operation of the various government-owned plants under its management and partly from operations for which capital was provided by the parent Company. After setting aside reserves for income and excess profits taxes, dividends were declared amounting to $312,000, of which $43,000 was in respect of the year 1940.

Fewer Failures Last Year

Quebec Leads in Both Number and Liabilities

Number of commercial failures in Canada last year was substantially below the total for either 1940 or 1939. Liabilities involved moved in the same direction.

There were 1,008 failures reported under provisions of the Bankruptcy and Winding Up Acts in 1941, 1,173 in 1940 and 1,392 in 1939. Defaulted liabilities involved were $9.1 millions, $10.7 millions and $15.1 millions for each year respectively.

Quebec led each of the past three years in both number of failures and amount of liabilities involved, having 587 failures in 1941 as compared with 362 in Ontario.

Classified according to type of business, those listed under the general heading of "trade" have a large lead over "manufacture," "service" and "all others."

Among the "trade" classifications, it appears that groceries were the most hazardous for the proprietor with 78 failures in 1941 and 94 in 1940, followed closely by clothing and general stores. Furniture shows fewest failures, followed by jewellery.

Manufacturers seem to find clothing and vegetable foods the most hazardous as these two have a large lead on other groups.

Number of Assignments

	1941	1940	1939
Maritimes	28	41	86
Quebec	587	622	669
Ontario	279	362	403
Prairies	93	113	178
B. C.	21	35	56
	1,008	1,173	1,392

Liabilities Involved

	1941 $000	1940 $000	1939 $000
Maritimes	263	361	942
Quebec	5,100	4,971	6,673
Ontario	2,874	3,371	4,906
Prairies	625	923	1,620
B. C.	273	1,038	957
	9,134	10,663	15,069

Investment Notes

Nu-Wall Industries Ltd. is no longer engaged in business and surrendered its charter Dec. 29, 1941, according to an announcement by White, Ruel & Bristol, Toronto.

* * *

Page-Hersey Tubes expects to be able to maintain a full-time working schedule for the duration of the war, according to W. P. Bayley, sec.-treas. Incoming orders continue to keep the plant operating as close to capacity as available raw materials will permit.

* * *

Orange Crush Ltd. operations for the first five months of the current fiscal year were at a loss, E. P. Taylor, president, told stockholders at the annual meeting. Hope was expressed, however, that figures for the full year would be better than last year. Operating conditions have been made difficult by the special excise tax and increasing costs of all kinds and the current sugar restrictions.

* * *

Heavy shipments of beer to the armed forces in the near and middle east have been made by Canadian breweries since last July, stated N. J. Dawes, president and managing director of National Breweries Ltd., at the recent annual meeting. He pointed out that it is becoming difficult to obtain enough bottles for domestic use, but plenty had been obtained for the export market. He hoped that rationing of glass in Canada would not be too severe.

* * *

Canadian Industries Limited has awarded a contract to Beaver Construction Co., Winnipeg, for alterations to the building formerly owned by Building Products Ltd. and purchased by Canadian Industries last fall for use as the chemical warehouse. The cost of rearranging the office and warehouse and installation of acid storage tanks is not expected to exceed $20,000.

* * *

Brown Co. is unofficially reported to have made a further repayment of about $1 million to the Reconstruction Finance Corp. It was announced in January that a payment of $1,660,056 would be made on account of the R.F.C. loan to $4.5 millions, thereby reducing it to $2,839,944. Another report is that the company is said to have received an offer for a bank loan that would wipe out the balance of the R.F.C. debt. This would remove a number of restrictions and clear the way to payment of interest either on arrears from Dec. 1, 1939, or on current account on the second mortgage bonds.

* * *

Second Interstate Royalty Corp. reports that at the end of 1941 investments in all royalties had a book value of $287,381.

Gross revenue from royalty income since acquisition amounted to $58,852 to Dec. 31, last.

* * *

Ontario Silknit Ltd. has declared a dividend of $1 a share on its 7% preference stock, payable April 15, 1942, to shareholders of record April 7. Giving effect to this payment, arrears on the stock at March 15 this year would amount to $25.75 a share.

Position of Chartered Banks of Canada as of February 28th, 1942, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Government $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. due to other Banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $
Montreal	17,439,535	63,596,789	9,172,408	....	359,908,496	414,397,620	92,736,573	3,526,354	5,699,323	10,171,501	....	18,389,229
Nova Scotia	6,407,975	16,069,638	246,585	....	86,069,156	152,456,183	49,650,587	2,913,649	1,032,613	1,423,293	....	31,052,555
Toronto	2,862,974	9,205,566	1,949,294	....	59,257,586	90,681,100	994,115	402,157	601,736	384,653	....	2,761,222
Provinciale	1,911,965	2,537,627	248,443	....	11,191,300	41,703,295	8,566	....	....	29,901	....	168,517
Commerce	14,470,152	23,486,228	16,436,688	....	244,377,266	329,998,268	65,529,702	1,499,052	4,935,150	5,843,462	....	28,797,668
Royal	20,308,372	37,549,316	10,951,938	....	345 015,179	349,861,083	231,807,909	16,149	4,250,673	10,235,192	7,136	37,224,169
Dominion	3,218,344	10,312,365	684,795	....	52,265,274	78,960,951	8,571,247	953,415	563,498	346,527	....	3,558,049
Nationale	3,490,937	5,629,361	2,066,551	....	43,023,651	103,239,717	458,754	1,199,832	46,187	642,276	....	550,313
Imperial	3,460,925	16,079,275	16,864,466	....	63,064,357	97,458,404	2,096,733	1,143,013	701,760	707,475	....	3,460,835
Barclays (Canada)	642,475	2,863,807	7,437	....	6,566,803	5,517,852	3,718,689	128,496	2,739,464	840,339	....	837,419
Total	74,213,654	187,329,972	58,628,605	....	1,270,739,068	1,664,274,473	455,572,875	11,782,117	20,570,404	30,624,619	7,136	126,799,976

NAME OF BANK	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorised $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are Partners $	Average Notes and Deposits with Bank of Can. $	Greatest Amount of Notes in Cir. $
Montreal	4,548,419	696,645	39,000,000	36,000,000	1 075,282,896	50,000,000	36,000,000	8	388,367	85,362,725	17,441,350
Nova Scotia	1,179,821	367,585	24,000,000	12,000,000	384,869,648	15,000,000	12,000,000	12	2,419,411	29,542,000	6,407,975
Toronto	....	150,584	10,000,000	6,000,000	185,250,991	10,000,000	6,000,000	10	453,316	16,477,455	3,037,748
Provinciale	4,725	62,804	1,000,000	4,000,000	62,867,146	5,000,000	4,000,000	6	154,672	5,436,198	1,991,645
Commerce	....	62,046	20,000,000	30,000,000	785,435,687	50,000,000	30,000,000	8	799,591	54,730,730	14,575,899
Royal	2,326,363	752,486	20,000,000	35,000,000	1 105,305,972	50,000,000	35,000,000	8	1,138,045	74,299,761	20,308,372
Dominion	444,250	6,376	7,000,000	7,000,000	173,885,095	10,000,000	7,000,000	10	465,892	17,348,433	3,218,344
Nationale	40,893	144,318	5,000,000	7,000,000	172,532,794	10,000,000	7,000,000	8	181,410	12,319,149	3,555,121
Imperial	....	11,668	8,000,000	7,000,000	220,048,915	10,000,000	7,000,000	10	511,370	16,373,687	3,476,475
Barclays (Canada)	11,358	....	750,000	1,500,000	26,124,143	1,500,000	1,500,000	....	14,647	1,627,054	642,475
Total	8,555,829	2,254,512	134,750,000	145,500,000	4,191,608,287	211,500,000	145,500,000	....	6,526,721	313,517,192	74,655,541

▲Of this amount, $53,577,649 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canadian $	Cheques on other banks $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $
Montreal*	1,626,977	75,071	21,909,078	65,047,959	661,740	495,670	34,326,184	....	4,855,568	32,740,852	306,290,835	210,880,520	16,644,356
Nova Scotia	410,656	920,354	6,403,358	20,962,715	173,233	7,086,393	12,566,987	100	7,576,647	12,487,147	69,379,086	59,920,622	10,569,812
Toronto	311,981	....	3,804,119	10,207,604	87,750	52,187	6,786,201	....	215,637	3,200,672	49,088,312	38,218,813	2,435,722
Provinciale	279,177	....	1,896,371	3,102,762	78,505	38,268	2,206,478	2,949	50,901	826,137	13,298,947	8,106,012	10,368,660
Commerce†	1,114,104	182,008	13,555,918	44,463,037	277,892	1,931,349	22,131,611	890	5,666,249	18,973,117	146,337,625	153,130,721	7,724,204
Royal	1,769,014	1,614,769	22,550,781	54,049,413	616,147	20,553,369	38,122,526	7,327	13,500,481	49,418,478	237,024,600	207,538,559	7,875,431
Dominion	294,160	230	2,459,634	18,170,457	145,040	101,748	5,352,413	286	2,122,182	5,540,300	35,605,642	20,148,339	1,552,070
Nationale	679,650	....	5,056,056	5,306,875	144,205	49,323	5,846,816	1,330,929	42,767	1,373,538	44,972,250	22,659,734	14,284,832
Imperial	413,548	....	4,903,790	11,104,183	174,685	73,082	8,297,572	661,306	431,434	4,814,729	47,545,311	41,260,968	5,977,448
Barclays (Can.)	6,942	....	81,220	1,665,091	1,020	1,355	451,400	1,317,531	1,736,197	3,659,268	4,738,364	7,328,692	1,000
Total	6,906,209	2,792,432	82,620,525	234,680,096	2,360,217	30,382,744	136,088,788	3,321,318	36,198,063	133,034,238	954,280,972	760,192,980	77,433,535

NAME OF BANK	Public sec. other than Can. $	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	25,744,827	23,896,713	2,343,870	12,929,384	230,018,167	24,321,420	1,244,152	24,330,888	847,189	415,761	460,853	13,900,000	1,015,765	1,909,647	1,077,322,688
Nova Scotia	2,549,034	9,320,048	3,180,392	449,234	102,685,395	15,078,300	1,292,345	2,906,536	390,279	....	81,964	6,041,988	427,705	2,328,555	386,241,662
Toronto	....	3,490,964	1,169,655	....	59,750,505	....	....	2,758,335	61,563	....	8,361	3,202,707	173,559	....	187,788,477
Provinciale	....	1,372,668	2,790,850	....	13,363,334		19,629	2,039,617	72,673	420,996	276,751	2,064,259	129,913	127,195	63,101,579
Commerce†	28,979,455	13,285,463	8,125,470	11,519,183	227,778,862	16,291,581	4,483,134	11,148,392	1,185,743	2,229,936	962,765	13,982,810	852,000	4,425,800	789,537,002
Royal	14,664,028	30,294,265	5,058,549	19,057,362	221,652,563	84,133,878	2,212,867	15,537,393	1,576,184	1,721,450	676,530	14,196,833	1,200,000	4,068,065	1,108,515,047
Dominion	445,000	1,369,477	1,361,524	1,732,298	66,651,739	510,099	639,636	1,261,034	147,759	23,485	33,686	5,388,238	220,797	200,824	175,036,160
Nationale	12,388	3,889,068	2,888,648	....	50,722,843	....	305,794	5,546,239	174,760	1,539,450	632,802	4,762,128	215,611	256,455	173,243,487
Imperial	....	50,221	2,508,267	....	79,817,734	....	288,400	3,668,784	232,102	47,410	212,822	5,610,360	233,771	....	221,188,771
Barclays (Can.)	25,000	....	179,625	....	3,547,375	....	....	....	4,640	....	....	442,411	23,751	....	26,148,306
Total	72,419,732	86,968,887	29,606,850	45,687,461	1,055,488,517	140,333,287	10,485,957	69,197,218	4,692,892	6,398,488	3,348,534	69,591,734	4,494,872	13,316,541	4,306,123,179

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $126,799,976 letters of credit outstanding as shown in liabilities.

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Mining INVESTMENTS

Vital mineral lectures, sponsored by the Ontario Prospectors and Developers' Association, attracted a most substantial registration. Letters have reached the association from every mining area in Canada asking that next year lectures be extended to other parts of Canada before opening of the prospecting season.

A great number of mining organizations are having their field staffs attend the lectures "en bloc." With war metals now holding the centre of attention due to the stringency of supplies, the lectures held just before the opening of the prospecting season are felt to be particularly timely.

* * *

Magnesium is turning out to be something of a Canadian mystery metal. It is widely known that the metal is being turned out at the Dominion Magnesium pilot plant at Ottawa and will shortly flow from another plant to be erected for the government and to be operated by Dominion Magnesium near Renfrew but it was thought that this was the limit to current output plans. But such is not the case. Some time ago, it was announced that Consolidated Smelters would also build a magnesium plant but this was later stated to be deferred. This week, however, the Consolidated Smelters report tells of the development of another new magnesium process and states that magnesium is in production with expansion of plant already planned. Along comes a late dispatch from Washington which says magnesium is also being produced at Shawinigan.

* * *

Air raids may be far from the minds of most gold mine managements, but if they come at least one mine will be prepared for them. All precautions have been taken to protect San Antonio gold mine against enemy air raids, president J. D. Perrin told his shareholders at the recent annual meeting.

The mine, situated 135 miles north of Winnipeg and just a few miles to the east of Lake Winnipeg, stands out like a brightly lighted beacon and would be a sure guide post to enemy raiders. Master switches have been installed so a complete blackout can be obtained instantly. "To some this may sound fantastic," Mr. Perrin said, "but let as much happen this next year as has during the past 12 months and you will have more to think of than just blackouts."

Lack Coal Orders Close Down Mine

Nova Scotia's government-operated Inverness No. 1 Colliery has been closed down due to lack of orders for coal.

Mines Minister L. D. Currie told the Nova Scotia Legislature his Department was taking the matter up with the Canadian National and Canadian Pacific railways, who ordinarily buy considerable quantities of Inverness coal.

Oil Royalty Holders May Get Extra Distribution

Something extra in the way of revenue will be coming along for holders of producing oil royalties shortly, it is anticipated. All royalty trusts have been holding back a 2½% reserve to take care of possible liability to the Alberta government for extra gross royalty but it now appears this reserve won't be needed and will be available for passing on to royalty holders.

A new bill to change the royalty situation has been passed by the Province of Alberta and is expected to pass the House of Commons shortly, already having received first reading there. The new legislation provides for a straight 10% royalty on all wells on crown lands producing, drilling or financed as at June 1, 1941.

After that date the royalty charged on crown lands will be 12½% or at the option of the operator on a sliding scale ranging from 5 to 15% depending on the size of the production obtained.

A slightly easier trend in prices of both producing and "unpegged" drilling royalties was noted the past week. In the case of producing royalties, prices had their normal month-end mark down reflecting the fact that most oil royalties go ex-distribution at the end of the month.

In the north end drilling picture, Ace No. 2 is reported to have temporarily suspended drilling at 7,100 ft. Drilling depth it appears now will be around 9,000 ft. or more for this extension test compared with around 8,000 ft. completion depth for further south north end wells. Attributed to Geologist Dr. J. O. G. Sanderson is the statement that there is no reason why drilling at Ace No. 2 should not be continued. Other operators are continuing drilling of their north end extension wells with particularly rapid progress reported by the Major group.

April allowables again place north end producers at the top of the Turner Valley production list. Major Oil No. 3 well received the highest individual allowable, being permitted to produce 936 bbls. of oil a day. Present indications are that Miracle No. 2 preferred will make its first payment in May for April revenue while Atlas-British Dominion No. 2 preferred will pay in June for May revenue. Major No. 4 preferred is expected to pay its first cheque this month for March.

PRODUCING WELLS — PRICES AND PAYMENTS

	Mar. daily allow. bbls.	Apr. daily allow. bbls.	Jan. roy pay. 1% $	Feb. roy. pay. 1% $	Paid to Feb. 28 1% $	Dealers offering Price† 1%
Ace No. 1 gross	593	553	303.71	269.38	1,929.43	$7,400
Alta. Oil Inc. No. 1 gr.	143	122	78.80	61.60	3,764.00	3,200
Do., No. 1 net	143	122	60.00	50.80	3,129.20	1,200
Do., No. 2 gr.	555	565	240.80	214.80	4,091.60	7,700
Do., No. 2 net	555	565	225.60	196.00	4,207.40	6,600
Allied No. 1 pfd.	100	100	37.21	36.71	392.09	1,700
Arrow No. 1 net	200	191	88.40	81.20	1,053.20	2,400
Do., No. 2 net	207	209	82.40	76.80	975.80	2,500
Atlas-Br. D. No. 2 pfd.	909	752	....	....	......	8,600
D. & D. net pfd.	87	85	36.40	29.60	1,476.00	1,500
Harris No. 2 gross	90	85	45.29	41.15	2,286.18	2,500
Do., No. 2 pfd. net	90	85	34.16	32.20	3,002.30	1,750
Independent No. 1 p.	252	250	131.93	114.30	1,016.59	4,100
Do., No. 1 gr.	252	250	98.34	85.29	1,148.29	4,200
Major Oil No. 1 pfd	171	160	54.00	82.80	136.80	2,600
Do., No. 1 gr.	171	160	98.40	76.00	1,032.40	2,700
Do., No. 2 pfd.	805	759	525.60	483.20	1,709.60	8,500
Do., No. 2 gr.	805	759	394.40	358.80	2,230.40	10,000
Do., No. 2 dfd.	805	759	....	....	......	6,000
Do., No. 3 pfd.	1,009	936	691.20	648.80	1,940.00	10,000
Do., No. 3 gr.	1,009	936	504.00	464.00	2,068.40	....
Do., No. 3 dfd.	1,009	936	....	....	......	7,500
Do., No. 4 pfd.	647	585	....	....	......	8,200
Do., No. 4 gr.	647	585	26.80	483.60	510.40	8,200
Miracle No. 1 pfd. net	791	759	523.50	486.86	2,520.72	8,300
Do., No. 1 dfd.	791	759	....	....	......	6,200
Do., No. 1 gr.	791	759	375.05	336.43	3,840.44	10,300
Do., No. 2 pfd.	862	575	....	....	......	7,700
Royalite-Model 1 gr.	207	201	....	....	......	4,600
Sunset No. 1 gr.	107	105	52.29	....	*6,611.67	2,500
Do., No 2 gr.	91	85	40.36	....	*3,755.22	2,000
Twin Valley No. 1 gr.	181	181	84.15	....	*1,474.02	4,300
United Assets (deb.)	210	175	....	....	......	100
Vulcan Brown gr.	173	141	80.80	110.50	7,801.35	4,000
Do., net	173	141	45.52	63.00	5,058.32	3,100
Winalta No. 1 pfd.	108	106	62.80	....	*2,931.60	2,000
York No. 1 gr.	98	94	50.64	....	*4,506.05	2,250
Do., No. 2 gross	96	85	36.00	33.60	1,557.60	2,250

†Approximately 20% over dealers' bid prices usually. *To Jan. 31 only.

DRILLING WELLS — PRICES AND DEPTHS

	Drilling Depth ft.	Offering Price per 1%
Ace 2, pfd.	7,105	*$4,375
Adanac, pfd.	1,891	*4,375
Admiral 1, pfd.	2,860	*4,375
Admiral 1, gross	2,860	5,000
Bonaventure, pfd.	4,441	*4,375
Can. Depositers 1, pfd.	†	*4,375
Can. Depositers 1, gr.	†	5,000
Drillers & Prod. (unit) No. 1 and 3 prod.	....	106
Gem 1, pfd. net	7,451	4,050
Hastings 1, pfd.	4,454	*4,250
Inland Sarcee 1, pfd.	5,114	3,800
Inland Sarcee 1, gr.	5,114	5,000
Lion-Davies 1, pfd.	900	*4,200
Major Oil 5, pfd.	3,434	*4,375
Major Oil 5, gr.	3,434	5,500
Major Oil 6, pfd.	5,630	6,700
Major Oil 6, gr.	5,630	7,900
Major Oil 7, pfd.	5,108	6,700
Major Oil 7, gr.	5,108	7,900
Major Oil 8, pfd.	6,131	6,700
Major Oil 8, gr.	6,131	7,900
Major Oil 9, pfd.	6,812	*4,375
Major Oil 10, pfd.	5,616	*4,375
Major Oil 10, gr.	5,616	5,000
Major Oil 11 pfd.	4,174	*4,375
Major Oil 12, pfd.	6,289	*4,375
Major Oil 12, gr.	6,289	5,400
North Clonmell 1, pfd.	spud.	*4,375
Northcross 1, pfd.	2,237	*4,375
Northcross 1, gr.	2,237	5,000
Northend Pete. 1, pfd.	6,107	5,200
Northend Pete. 1, gr.	6,107	5,800
Northend Pete. 2, pfd.	2,306	5,000
Northend Pete. 2, gr.	2,306	5,600
Northend Pete. 3, pfd.	4,579	5,500

*Pegged price. †Waiting gas.

The Week In Oils

From Our Own Correspondent

CALGARY.—The Shell Oil Co. of California, a major unit of the Royal Dutch Shell group, has decided to come into the Alberta oil field development picture in a big way. Through a subsidiary, Shell Exploration (Alberta) Ltd., the company is going to:

(1) Open up a headquarters in Calgary, complete with geological, land exploration and production departments;

(2) Continue with geological and seismic surveys, perhaps on a larger scale than those undertaken during the past two years and;

(3) Commence its first Alberta drilling programme this year.

The entry of Shell of California, first of the Royal Dutch Shell group to embark on development in Alberta, will raise to four the number of major oil groups active in the province. Already active are: Standard Oil of New Jersey (through Imperial Oil, Northwest Co., Foothills Oil & Gas, etc.); Standard Oil of California (through Standard of B.C.); and the Texas Company (through McColl-Frontenac). Other major interests, such as the Gulf Oil Corporation, have scouts in the field, but have not yet commenced development.

* * *

Shell Men Return

Geologist Alex Clarke and landman Charles Warren—Shell of California representatives who carried out survey work in Alberta last year—have returned to Alberta, accompanied by high officials of their company. This week, the party was in Edmonton, conferring with Alberta government officials.

A seismic survey party is expected to arrive in Alberta in the immediate future to go to work for Shell. Just where the party will work, and just where Shell is likely to commence its drilling operations, are not yet known.

It is interesting to note, however, that Shell thoroughly surveyed a block of about 120,000 acres in the foothills due west of Edmonton last year, in Townships 51, 52 and 53, Ranges 27 and 28w5 and Ranges 1 and 2w6.

In addition, Shell has shown considerable interest in the Jumping Pound area, in the Foothills west of Calgary; and in two plains areas, that area east of Okotoks and High River as far as Arrowwood, and a large area extending east from Carbon, Three Hills and Trochu, and north of Drumheller.

* * *

Another Foothills Test

Imperial Oil's development subsidiary, the Northwest Company, has selected another Foothills structure for test, and will get the initial drill-venture under way in the very near future. Selected for test is that long valley flanking Turner Valley to the east, termed by Imperial the New Valley, and by J. Frank Moodie, its pioneer proponent, Calling Valley.

The initial test, to be known as Northwest-New Valley No. 1, will be drilled in L.S.D. 7 25-22-4w5. The location is just over eight miles north of the present most northerly oil producer in Turner Valley, Atlas-British Dominion 2, 2½ miles east of the drilling Admiral 1 test, and two miles east and a mile north of the Ace Royalties 2 test of the north Turner Valley extension.

It is understood that the important new Foothills test will be drilled with the heavy duty rig last used at the Northwest-Grease Creek No. 2 well. (The shifting of the rig from Grease Creek does not necessarily mean the end of development here. It is believed likely that Northwest will continue survey work at Grease Creek this spring and summer).

* * *

Start Ranchmens Well

The New Ranchmens Oil & Gas Co. has completed the drilling of three water wells to ensure water supply for its initial Aldersyde area test, and is reported to have started cellar. The test well, New Ranchmens No. 1, is in L.S.D. 16 34-19-29w4, about three miles south and two miles west of the old Ranchmens No. 1 test.

According to M. J. Davies, head of the New Ranchmens Company, a rotary derrick will be erected but, because a heavy duty rotary is not now available, the well will be spudded with cable tools. It is stated that rotary equipment will be available for drilling from around 2,000 ft. The Madison lime objective is looked for around 8,000 ft.

* * *

Fourth Tilley Well

Further stepping up its activity in the promising Tilley area on the central plains, the Northwest Company has taken out drilling permit for Northwest-Tilley No. 4. The well will be drilled in L.S.D. 5 17-17-12w4, quarter of a mile due north of the recently completed No. 2 well. Northwest-Tilley No. 2 is currently on test, with a reasonable prospect of commercial oil production being maintained, according to unofficial reports.

The well started flowing on Mar. 23 with a flush of around 125 bbls. per day of water-free crude. The latest unofficial reports indicate a flow of 75-80 bbls. per day, with no evidence of any serious influx of water. The well is producing from the Sunburst sand section between 3,170 and 3,180 ft.

* * *

April Allotments

April, 1942, allotments for Turner Valley oil wells were announced Thursday morning. The oil well allotment totals 26,787 bbls. per day. The schedule includes four new wells, the Alberta Pacific No. 1, with a temporary quota of 75 bbls.; Anglo-Canadian No. 11, temporary quota 100 bbls.; Foothills No. 10 (which is being deepened to tap the lower porous zone previously cemented off), temporary quota 100 bbls. and Foothills No. 11, temporary quota of 350 bbls.

Most interesting feature of the new schedule is the temporary quota of 160 bbls. given the famous old Model Oils No. 1 producer, a well which had a quota of only 89 bbls. per day in February. The new quota is the well's approximate daily average recovery during March; production swelled as drilling proceeded with cable tools into the main upper porous zone. At present the well is taking production of just over 160 bbls. per day, and is drilling on at 6,135 ft., very close to the top of the lower porous horizon. The well was produced for about 12 years with the hole bottomed just a few feet in the upper porous zone.

Smelters Focuses on War

Annual Report Indicates Huge Scope of War Plans

While no detailed statement of operations is possible due to the war, the 1941 annual report of Consolidated Mining and Smelting Co. is full of items that suggest the tremendous scope our war effort is assuming.

The situation is summed up in the remarks to shareholders as follows:

"Owing to the great demands for military needs of all the Allied countries, production has again been increased, not only in the metals and chemicals formerly made, but many new products are being turned out on a commercial scale."

Turning Out Magnesium

Recently The Financial Post reported that Consolidated Smelters had developed a new magnesium recovery process in conjunction with a United States firm. The annual report reveals that magnesium is already in production. This phase of operations is reviewed as follows:

"A very successful process for the manufacture of magnesium powder has been developed. This process gives a much better product than the ordinary processes at a lower cost. In all probability further extensions to this plant will be made in the near future."

Major expansion of mercury production at Pinchi Lake and commencement of production of tungsten at the Red Rose property near Hazelton are noted. With the Pinchi Lake plant expanded twice during the year, capacity is now 450 tons daily. Returns are stated to have been highly satisfactory with ore reserves steadily increased in spite of the increased tonnage milled.

Production of tin begins this month, it is revealed. Due to the low tin content of the ores, recovery of tin is stated to be of more academic than commercial importance. During 1941 new processes were developed for production of ammonia catalyst and sodium fluosilicate.

While most of the capital expenditures authorized before and during 1941 were well under way or completed by the end of the year, increasing war demands will necessitate further extensions in many undertakings, it is stated. The great expansion planned for the Trail plants will necessitate further power development.

Balance sheet at the end of 1941 shows land and plant carried at $32 millions, less $16 millions depreciation, or a net figure of $16 millions. Under agreements with the Dominion government the company was committed to spend a further $9 millions at the end of 1941, the balance sheet shows. All of the plants under construction for the government were in operation by the end of 1941. Additions to most of these are planned, however. No profit is realized on construction or operation of the government-owned plants and the increase in net profit during the year testifies to the increase in the company's own plant capacity for most of the company's output continued to be marketed at the relatively low prices provided by the United Kingdom contracts.

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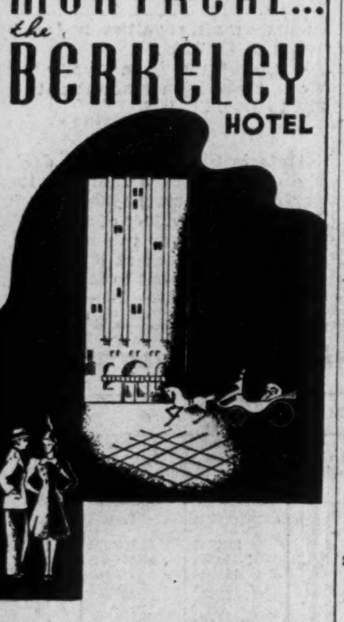

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Mining Company Reports

Consolidated Smelters

Highlights of the annual report of Consolidated Mining and Smelting Co. for 1941 are earnings of $3.72 a share against $2.77 a share in 1940; increased production, with the concentrator handling 6% more than the previous year; sale of accumulated lead stocks in the United States and continued sale of lead and zinc required by Canada and Great Britain at low contract prices and commencement of magnesium and tungsten recovery with development of important new processes.

Ore development kept ahead of production, it is stated. Throughout the year an attempt was made to increase the zinc-to-lead ratio in the ore extracted, with the result that the ore mined in 1941 contained 10.07% lead and 7.24% zinc against 10.2% lead and 6.59% zinc in 1940. This resulted in a much better balanced operation.

Total profits from gold and mercury mines and the Prosperous Lake hydro-electric plant increased from $1,077,000 in 1940 to $1,964,000 in 1941. Two or three prospects in the Yellowknife promise to become profitable producers, it is stated.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating earnings*	20,623,000	16,119,136
Less: Exec. fees, etc.	134,633	135,887
Directors' fees	47,535	48,500
Add: Invest. revenue	1,710,888	1,704,543
Gain on bonds	5,122	8,572
Net earnings	22,156,842	17,647,864
Less: Depreciation	2,494,030	2,434,830
Depletion	......	1,217,898
Deprec., mining inv.	1,312,902	......
Min. & income tax	5,650,000	4,200,000
Insur. reserve	500,000	......
Employees' pens. fd.	......	732,009
Net profit	12,199,910	9,062,227
Less: Dividends	8,189,531	7,367,455
Surplus for year	4,010,379	1,694,772
Add: Prev. surplus	6,067,623	6,372,851
Less: Tsf. to approp. surplus	4,000,000	2,000,000
Surplus forward	6,078,002	6,067,623

*After proportion of legal fees.

Earnings per Share and Dividend Record:		
Earned	$3.72	$2.77
Paid	$1.+$1.50	$1+$1.50
No. of Shs. Outstand.	3,276,329	3,275,919
Working Capital		
Current assets	31,850,447	25,330,798
Current liabilities	10,684,353	11,626,170
Working capital	21,166,094	13,704,628

Buffalo Ankerite

Reflecting a 10.06% increase in bullion production, earnings of Buffalo Ankerite Gold Mines increased from 20 to 26 cents a share in 1941. Grade of ore treated was lower but this was more than offset by the greater tonnage.

Stopes in the south ore area are now contributing 40% of ore feed. Exploration of the north zone between the 1,700 and 2,000-ft. levels failed to reveal any ore of consequence in 1941. Limited work on the 2,350-ft. level was not encouraging but diamond drilling gives important evidence of ore values below that horizon. A new ore lens has been partially opened up in the south zone.

Ore reserves showed a decrease from 742,485 tons of $7.66 grade at the end of 1940 to 574,847 tons of $7.52 grade at the end of 1941. Further drilling is planned of newly acquired claims where old drilling records indicated ore.

Working capital was more than doubled in 1941.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion recovery	2,760,980	2,508,556
Add: Bullion adjust.	1,084	269
Less: Mining costs	1,186,742	1,106,619
Milling	320,597	322,182
General	289,013	192,832
Develop. & explor.	242,539	232,315
Oper. profit	723,173	654,877
Add: Other income	2,115	3,661
Gross profit	725,288	658,538
Less: Develop. w/o	135,350	164,164
Depreciation	330,222	315,796
Income taxes	77,264	36,022
Net profit	182,451	142,556
Less: Dividends	210,504	129,811
Surplus for year	*28,053	12,745
Add: Prev. surplus	590,594	851,007
Adjustments	10,600	23,679
Less: Adjustments	156	12,486
Development w/d	......	284,351
Balance forward	572,985	590,594

*Deficit.

Earnings Per Share and Dividend Record:		
Earned	$0.26	$0.20
Paid	0.30	0.20
Working capital	266,453	103,849

Sigma Mines

A continuation of the growth of previous years highlights the 1941 annual of Sigma Mines (Quebec).

Earnings rose to 64 cents a share from 59 cents in 1940. Ore reserves gained 128,900 tons to reach 1,197,000 tons. Tonnage milled was raised to 383,355 tons against 279,710 tons in 1940. Practically a year's broken ore remains in stopes.

Four new levels from the 9th to 12th inclusive under development in 1941 have shown results comparable with the upper levels at the same stage of development. Main stoping operations remain above the 7th or 850-ft. level.

Two diamond drill holes drilled into Sigma ground from the Lamaque 2,400-ft. level showed several sections of ore grade. These holes are 400 ft. below the Sigma 16th or bottom level and lie 1,950 and 2,575 ft. west of the Sigma No. 2 shaft.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Total production	2,967,106	2,278,637
Less: Marketing	32,662	25,309
Net production	2,934,444	2,253,328
Less: Devel. & explor.	437,085	363,170
Mining & hoisting	911,490	656,769
Reduction	218,951	172,065
Admin. & general	66,156	60,801
Taxes other than inc.	28,964	23,400
Insurance	6,899	5,454
Legal fees & exps.	1,649	4,272
Oper. earnings	1,263,250	967,397
Add: Bond interest	14,875	5,361
Less: Production taxes	42,729	32,332
Income taxes	251,592	82,237
Development w/o	125,148	100,302
Depreciation	214,726	168,003
Net profit	643,930	589,884
Less: Dividends	600,000	450,000
Surplus for year	43,930	139,884
Add: Prev. surplus	1,528,024	1,394,465
Less: Bonuses	......	6,325
Balance forward	1,571,954	1,528,024
Earnings Per Share and Dividend Record:		
Earned	$0.64	$0.59
Paid	0.60	0.45
Working capital	963,970	844,615

East Malartic

While a marked decrease in earnings took place at East Malartic Mines in 1941, disclosure of higher than average grade ore both at depth and in work to the east suggests a higher margin of profit for the future.

Net profit for the year was $599,680 or 15 cents a share compared with 39 cents the previous year. Efforts were centred on getting development well in advance and this cut into profits along with a lower production rate.

Ore reserves at the end of 1941 were higher in both tonnage and average grade, totalling 2,900,944 tons of $7.17 grade, at $35 gold, compared with 2,475,448 tons of $6.45 grade the year before. Reserves are estimated to the 10th level in 1941 but nothing is included for the new ore to the east on the 485-ft. level which runs 1,000 tons to the vertical foot of $8.19 grade at $35 gold.

The general trend has been toward improvement in grade as depth is reached with ore widths maintained. The 700 ft. of ore opened up on the bottom developed level at 1,570 ft. shows an average grade of $8.79 a ton across 35.9 ft. with gold at $35.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Production	2,851,228	3,424,086
Less: Marketing	32,513	39,033
Net production	2,818,715	3,385,053
Less: Development	707,171	346,358
Mining	455,115	414,106
Excav. & backfill	121,023	85,643
Surface explor.	......	18,760
Milling	257,734	256,341
Insurance	16,033	14,726
Gen. mine expense	129,017	127,527
Oper. taxes	21,809	18,351
H. O. expense	29,673	36,000
Oper. profit	1,069,640	2,067,241
Add: Other income	17,844	13,502
Total net earnings	1,087,484	2,080,743
Less: Develop. w/o	148,991	124,025
Depreciation	191,480	169,592
Taxes	139,000	219,090
Underwrit. exp. w/o	8,333	......
Net profit	599,680	1,568,036
Less: Dividends	800,000	1,200,000
Surplus for year	*200,320	368,036
Add: Prev. surplus	1,537,428	1,168,818
Add: Adjustment	......	574
Surplus forward	1,337,108	1,537,428

*Deficit.

Earnings Per Share and Dividend Record:		
Earned	$0.15	$0.39
Paid	0.20	0.30
No. of Shs. Outstand.	4,000,000	4,000,000
Working Capital		
Current assets	930,937	936,831
Current liabilities	249,900	282,279
Working capital	681,037	654,552

Malartic Gold Fields

Highlights of the annual report of Malartic Gold Fields for 1941 are as follows:

Discovery of a new No. 2 mine to the west with 6,000 tons of 0.3 oz. grade ore indicated to the vertical foot compared with 1,500 tons of $8 grade at the original mine.

Commencement of a new 5-compartment shaft to open up the new west ore area. A slight increase in earnings to 11.4 cents from 11 cents for 1940. An increase in average mill tonnage from 410 to 614 tons a day. Total production of $1,864,180, over $500,000 higher than the previous year.

During the year, the No. 1 shaft was continued to 1,405 ft. and five new levels were established. Recent work shows important ore bodies in the lower section of this mine.

Ore reserves to the 575-ft. level were 566,979 tons against 530,943 tons a year previous. A long drive is now being put out at the 1,200-ft. level to assist in opening up the new western section.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion production	1,864,180	1,307,962
Less: Marketing	22,511	15,353
Net production	1,841,669	1,292,609
Less: Development	258,529	171,661
Mining	544,590	238,301
Milling	175,030	149,246
Insurance	16,082	10,252
Taxes	2,661	1,434
Gen. mine expense	101,314	80,524
Head office expense	19,807	10,951
Net oper. profit	723,656	630,239
Add: Other income	9,216	5,916
Total net earnings	732,872	636,155
Less: Depreciation	93,081	51,160
Interest on loans	......	3,829
Development w/o	69,706	69,706
Profits taxes	113,165	70,980
Net profit	456,920	440,480
Less: Dividends	400,000	......
Surplus for year	56,920	440,480
Add: Prev. surplus	461,008	22,132
Adjustment	1,408	......
Less: Sundry adjusts.	......	1,604
Surplus forward	519,336	461,008
Earnings Per Share and Dividend Record:		
Earned	$0.114	$0.11
Paid	0.10	nil
Working capital	88,049	46,698

Broulan Porcupine

Outstanding features of the 1941 annual report of Broulan Porcupine Mines are: An increase of over 100,000 tons in tonnage of ore in reserve with reserves equal in value to five years' production; indications of new ore zones in the most easterly and westerly claims, neither of the new showings being included in ore reserves; lower earnings and an increase in holdings of Bonetal Gold Mines to 836,337 shares, equal to approximately a 30% interest in that company.

Ore reserves at Dec. 31, 1941, totalled 636,044 tons of 0.226 oz. grade compared with 514,800 tons of 0.282 oz. grade a year before. Bonetal drifting in Broulan ground has outlined one new ore shoot with another zone indicated by drilling to the south of this yet to be tapped from the Broulan workings. The first two holes in a diamond drilling programme from the 600-ft. level of Pamour Porcupine have given the encouraging results in work to the east.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion recovery	1,067,658	1,190,484
Less: Marketing	13,052	13,529
Development	72,900	76,559
Trucking	......	45,166
Mining	244,409	154,860
Milling	89,456	122,362
Ore sorting	7,822	......
Mill rental	......	18,750
Gen. min., man. exp.	61,608	51,976
Mun. taxes, etc.	18,392	15,695
Head off. expense	17,450	13,700
Oper. profit	542,569	677,887
Add: Int. received	501	851
Less: Taxes	75,000	81,300
Depreciation	92,170	24,537
Development w/o	41,667	54,926
Net profit	334,233	517,975
Less: Dividends	242,460	161,640
Surplus for year	91,773	356,335
Add: Prev. surplus	393,271	36,936
Surplus forward	485,044	393,271
Earnings Per Share and Dividend Record:		
Earned	$0.124	$0.19
Paid	0.09	0.06
Working capital	70,410	30,446

Dome Mines

Increased revenue from a subsidiary, Sigma Mines, and elimination of expense of foreign exchange served to offset at least in part slightly lower production and higher operating costs at Dome Mines in 1941. Earnings for the year at $1.98 a share were just 8 cents a share lower than the preceding year.

After milling 627,700 tons of ore during 1941, ore reserves were 80,000 tons lower at 2,520,000 tons. Of this reserve, 19.5% is in Ankerite veins, 19.7% is accounted for by the 23rd level and the section below with the rest of the mine responsible for the balance. Milling of lower grade available was undertaken in 1941 and more of this ore may be milled in the future as work proceeds to depth, it is stated.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Total production	7,769,368	7,933,786
Less: Mining	1,084,845	998,515
Develop. & explor.	593,731	540,104
Crushing & convey.	114,428	114,165
Milling	499,915	513,022
Admin. & gen. exp.	291,594	283,828
Insurance	15,327	15,561
Pension fund	37,095	38,317
Taxes	23,954	24,615
Directors' remun.	54,530	43,453
Counsel, etc.	1,040	2,415
Executive officers	35,816	35,816
Oper. profits	5,017,093	5,318,975
Add: Dividends & int.	369,258	333,548
Subsid. dividend.	363,090	270,720
Less: Exchange	......	195,722
Net earnings	5,749,441	5,727,521
Less: Tax reserve	1,762,498	1,562,663
Reserve for deprec.	108,699	82,110
Outside explor. w/o	31,823	76,225
Net profit	3,846,421	4,006,523
Less: Dividends	2,920,002	3,893,336
Surplus for year	926,419	113,187
Add: Prev. surplus	1,605,769	1,516,617
Equip. profit	......	215
Deprec. adustment	352,523	......
Less: Bonuses	......	24,250
Surplus forward	2,884,711	1,605,769
Earnings Per Share and Dividend Record:		
Earned	$1.98	$2.06
Paid or payable	1.50	2.00
Working capital	7,738,069	6,798,331

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Gold Mines War Effort is Many-sided Affair

New Products Vie With Economies in Broadening Industry's Contribution

By GORDON M. GRANT

Surprising in extent is the "war effort" being carried on by Canada's gold mining industry.

Well known perhaps is the production of about $200 millions of gold a year but not nearly so well known are the many other sides to the industry's war effort.

Broadly speaking, the gold mines are working to aid the war effort in two directions aside from production of gold. They are seeking on the one hand to economize on material and man power and on the other hand to assist the turning out of materials vital to the war effort.

Great strides have been made already but mining men believe that before the war ends, gold mining's war effort may well take a book to cover. The beginning lies in many cases before the start of the war but even the era of postwar readjustment comes into the picture.

New Products Important

Looking at things from the production side, gold is not the only thing being turned out by the mines. Mine machine shop war production by itself is a contribution of first rank importance. Tungsten output is not inconsiderable. War metals are being sought too.

Through their machine shop war production, gold mines have their own "bits and pieces" programme—a programme which is playing a direct part in winning the battle of the Atlantic.

Marine engines, one of the big items in our shipping plans, are being turned out in the gold mines under the "bits and pieces" programme. The complete product is being turned out in the Porcupine area with Dome Mines acting as the final assembly and inspection plant. Hollinger may turn out one piece of equipment, Preston another and Aunor a third. At one mine or another, every item of equipment necessary for the engine is being turned out.

Buy Special Equipment

What is true for Porcupine is true too of other gold mining camps. Kirkland Lake is reported working on orders for hundreds of thousands of dollars. The machine shops of the various gold mines are now largely turned over to war work. Some mines have purchased special equipment to facilitate the work. This equipment may represent a dead loss to the mine concerned after the war, except possibly for scrap.

Tungsten has been one of the strategic minerals demanded by the machine tool industry for continued production of vital equipment. While not mined in Canada prior to the war, many gold mines in northern Ontario have found tungsten present in their ores and have recently taken steps to mine it. Hollinger will shortly complete a 120-ton mill for treatment of scheelite, the tungsten ore. Little Long Lac is another mine installing special tungsten recovery equipment. Numerous other mines are making regular shipments to Ottawa for treatment.

Marine engines aren't usually considered as part of a gold mine's production but under the gold mining industry's wartime "Bits and Pieces" machine shop programme that's what the Porcupine mines are turning out.

Many other interesting things have developed as the gold mines have "gone to war." Engineering has found ingenious ways to solve supply and labor bottlenecks. Tungsten is being sought. And more things are still appearing on the horizon.

A No-Profit Effort

It is doubtful if even Hollinger will make a profit on scheelite production; turning out tungsten by Canadian gold mines can be classed as a non-profit war effort.

With public financing of prospecting a thing of the past, it has been left largely to the Canadian gold (and base metal) producing companies to prosecute the search for war metals. Instead of discontinuing exploration departments for "duration," field forces have been directed to search for war metals. It is fully realized the possibility of making money out of war metals would ordinarily make such a search uneconomic.

At the same time, field forces are being told to be on the lookout for gold even though war metals are a first consideration.

It must be remembered that prospecting and field forces use the same methods in searching for tungsten and other such war metals as in the search for gold, and it is quite within the realm of possibility that prospecting for such materials will result in the finding of new gold deposits which may well play an important part in establishing a post-war economy.

Equipment Needs Low

With opening up of new mines and expansion of old mines precluded by present war demands on the equipment companies, new equipment requirements of the gold mining industry are relatively unimportant. Besides this, mines are more and more using their own shops to make needed parts, taking the load of this work off equipment companies. Co-operation among the various gold mines is proving a real advantage in the making of needed spare parts.

Foresight of the mining industry in modernizing methods and equipment in peacetime is paying dividends in wartime. Only with the present modernized equipment could a relatively small force of 32,000 men turn out such a large quantity of gold in a year. Undoubtedly that is why in the gold mining industry is found the highest yield per worker of all Canadian industries.

Foresight Helping Now

During peacetime, stopes and exploration were carried well in advance of milling requirements at many mines. This means that it is possible to get along with a reduced staff when necessary. Not only can stope preparation and exploration often be curtailed in the interests of the war effort, but many repairs and odd jobs can be postponed.

In ordinary mining operations, mines are endeavoring to reduce consumption of supplies. Use of substitute materials has already been introduced. Where steel plates would ordinarily be used, lumber is being substituted.

Underground, old pipes and rails will be used in new drifts to curtail consumption of material. If the worst comes to the worst, rail and pipe may be taken from one section of a mine even though it may have to be re-installed at a later date.

New wrinkles for saving on material and labor are continuously being found. When one mine manager gets an idea, it is not long before others adopt it.

Use Pebbles Again

Before steel balls were used in ball mills, pebbles, imported from abroad, were used. Buffalo Ankerite has now introduced the use of tourmaline ore as a grinding agent while Paymaster is reported to have located a tourmaline vein in drilling recently. Substitutes for steel balls in milling are being worked on by the mines and where the nature of the ore permits, pebbles may be substituted to some extent. However, the extensive use of pebbles would have an undesirable effect on production as they serve to reduce tonnage of ore milled.

Some time ago, before the speeding up of the war industries placed great demands on supply firms, extra emergency stocks of materials were laid in by many gold mines. These supplies are expected to play a very real part in allowing an all-out Canadian war effort. They form a strategic reserve of raw material to help keep our gold mines at capacity while supply firms are devoting most of their efforts to war work.

Output Trend Changes

Gold mining production has been moving lower in recent months and it is anticipated a gradual reduction may continue for the duration of the war. Practically no new mines are being developed to replace those that must inevitably be worked out war or no war. Production of gold in January was 405,664 oz. compared with 434,259 oz. in January, 1941, reflecting the changed trend in gold output.

With gold mining classed as an essential industry, reduction of gold production is expected to take place rather slowly due partly to labor shortage, partly to increased costs and partly due to some difficulty on the supply end of the gold mining business. With reduced use of labor and more efficient use of supplies, however, it seems likely that the gold mine yield per worker may reach new heights. A small drop in labor supply may not affect production but a larger one will. Mine managements are in the frame of mind to reduce costs these days. This is undoubtedly an important point in securing the greatest possible efficiency.

More Gold Was Asked

One side of the gold mine's war effort has not secured much attention lately. Minister of Finance J. L. Ilsley in December, 1940, requested that the gold mines produce more gold as a patriotic duty. With this assurance that more gold was wanted, new gold mines were brought into production. With gold mining classified as an essential industry at that time, the cost-of-living bonus was immediately given workers although it was realized there was no opportunity to "pass on" the increased cost to the consumer.

Financial and engineering resources of Canadian gold mines have played their part in the gold mines' war effort. Not only have gold mines been heavy subscribers to victory loan but a number of mines have lent money to their employees, interest free, to encourage purchase of bonds. Money provided by the gold mining industry financed development of the ferro-silicon process of Dr. Lloyd Pidgeon developed in the laboratories of the National Research Council at Ottawa. One gold mining company has carried out research work on anti-tank devices while others have sought to develop special alloys that might be useful to the war effort.

What The Effort Means

The sum total of the gold mines' war effort is a maximum of output with a minimum expenditure of material and man power. Wherever possible, use of raw material not needed in the war effort is being sought. Where by-product output important to the war effort can be secured—be it war equipment, tungsten or other needed metal—the gold mines stand ready to turn it out, whether there is any profit to be made by doing it or not.

Aside from being the Dominion's foremost provider of U. S. dollars for the purchase of needed war equipment, the big business of the gold mining industry is certainly the winning of the war.

N.S. Mine Wage Appeal Vetoed

Board Says Old Rate to Prevail For Duration of War

From Our Own Correspondent

MONTREAL.—With few exceptions, the National War Labor Board directed that wage rates in effect last Nov. 15 should continue for about 12,000 miners employed by four major coal companies in Nova Scotia.

The Board recommended existing rates be embodied in new contracts to replace the agreement which expired last Jan. 31 and were extended until the end of March.

United Mine Workers official said the wages paid to classes of miners vary, but the minimum rate for daytale workers (miners who are paid for each day they work) is $3.90 a day at the Dominion Coal Co. Colliery, Cape Breton; $3.30 a day at the Acadian Collieries in Cape Breton; and $3.50 a day at the Dominion Collieries on the north side of Sydney Harbor.

Contract workers, who are paid on the tonnage basis, average about $7 a day in the Dominion Mines and about $1 a day less in the others, according to the union official.

Continue for Duration

The Labor Board recommended an agreement embodying its findings should be signed "forthwith" and continue for the duration of the war and for one year after.

Agreements would be between the union and the Dominion Coal Co., Acadia Coal Co., Cumberland Railway and Coal Co., and Old Sydney Collieries Ltd.

Tombill Gold Mines plans to install a 30 to 40-ton mill at its Elmos property to be in operation by July. A small tonnage of ore has been outlined at this property and while the profit to be won from treating it is expected to be small, an opportunity will be afforded for further development of the property. Ore resources at the Tombill mine proper are expected to be exhausted about next August.

International Mining Corp. net income in 1941 was $338,559 as against $355,133 in 1940 but reflecting a sharp reduction in the value of investment portfolio, net asset value for the 489,973 outstanding shares was down to $5.86 per share against $9.83 a share a year ago. Bulolo Gold Dredging, in which a substantial share interest is held, has now been abandoned to Japanese occupation, it is stated.

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Mining Concentrates

Dominion gold production for January was only 405,664 oz. compared with 421,316 oz. the previous month and 434,259 oz. in Jan., 1941.

* * *

Hollinger Consolidated Gold Mines has declared 5 cents a share payable April 22, 1942, to shareholders of record April 8.

* * *

Homestead Oil & Gas carried out no active development in 1941 but properties and interests are stated to have been kept in good standing. Loss was $1,216. Working capital at the end of the period is reported at $1,126.

* * *

Lamaque Gold Mines has declared an extra dividend of 5 cents a share payable along with the regular quarterly dividend of 10 cents a share on June 1 to shareholders of record May 8.

* * *

Quebec Gold production continues to increase, totalling 90,698 oz. in Feb., 1942, compared with 87,376 oz. in Feb., 1941.

* * *

Reno Gold Mines is reported to have sold its property in the Sheep Creek area to Alfred Endersby of Rossland for $25,000 payable $1,000 cash and the balance in installments extending to Dec., 1943. Mr. Endersby has had a leasing agreement on the Reno Nugget claim for the last few years and has been engaged in leasing operations in the Rossland and Kootenay districts.

* * *

Toburn Gold Mines has declared an extra dividend of 1 cent a share payable along with the regular quarterly dividend of 3 cents a share on May 22 to shareholders of record April 22. Ex-dividend date on the Toronto Stock Exchange is April 21.

* * *

Wampum Gold Mines has taken over operations of the Flin Flon property of Douglas Lake Gold Mines and preparations are being made to ship ore to a smelter, it is stated. Some 22,000 tons of $13.50 grade ore are reported blocked out. Including possible ore in the hanging wall this figure could be increased to 40,000 tons averaging $12 to $13. First returns from shipments are to go to Wampum in repayment of expenditures. Thereafter 25% of the profits from the next 30,000 tons of ore will go to Douglas Lake with 17% of profits going to that company on any tonnage over the 30,000 tons.

McRae Interests Recovering Gold By New Methods

From Our Own Correspondent

VANCOUVER.—Mining interests headed by Senator A. D. McRae and Ernest Patty of Seattle, Wash., have solved the complicated gold recovery situation at Spruce Creek, in British Columbia's Atlin district, by installation of the first high-lift stripping shovel ever to be employed in the gold placers of North America.

Spruce Creek Placers, Ltd., is the newest of the McRae-Patty mining enterprises. The property is located about eight miles from the town of Atlin.

Senator McRae and his associates first became interested in placer gold operations in 1934. Since then they have carried out an aggressive development programme in Alaska, Yukon and British Columbia.

Practice of the McRae-Patty organization is to have separate organizations for its various enterprises. Ernest N. Patty is general manager of all of them. The interests include Alluvial Golds, Inc., operating a dredge on Woodchopper Creek, Alaska; Gold Placers, Inc., mining at Coal Creek, Alaska; Clear Creek Placers, working a ground-sluicing operation with dragline on Clear Creek, Yukon, and Spruce Creek Placers.

The Atlin district has been mined for about 40 years, yielding consistently and largely to drift methods. In recent years perhaps 75% of the gold from the immediate vicinity of Atlin has come from Spruce Creek and neighboring Pine Creek.

The early prospectors about 1900 sank shafts in the valley floor, seeking to mine the deposits by drifting, but the water drove them out and forced them to drift-mine on Spruce Creek by inclined shafts driven back under the glacial till of the valley sides.

Mining Company Reports

Pamour Porcupine

Reflecting a slight decline in production and higher operating costs, earnings of Pamour Porcupine Mines in 1941 declined to 10.3 cents a share from 14.6 cents for 1940.

Substantial additional tonnages of ore were disclosed at both the west and east ends of the company's property but insufficient work has yet been done to evaluate the occurrences and compute the additional tonnage and grade involved.

Ore reserves of 1,786,500 tons of 0.119 oz. grade at the end of 1941 showed little change from the end of the previous year after milling 559,528 tons during the year.

Working on the 400 and 600-ft. levels west has disclosed a number of small ore bodies of better than mine average while development to the east on the 1,200-ft. level east has disclosed a large body of perhaps lower grade.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Metal recoveries	2,577,580	2,729,369
Less: Oper. expenses	1,556,714	1,475,601
Admin. expense	25,383	17,587
Legal fees	1,203	1,983
Directors' fees	650	600
Operating profit	993,630	1,233,594
Add: Inc. from invest.	35,775	23,917
Profit on invests.	875	300
Net earnings	1,030,280	1,257,811
Less: Depreciation	192,986	187,534
Taxes	230,517	253,736
Development w/o	88,360	88,360
Net profit	518,417	728,181
Less: Dividends	600,000	600,000
Surplus for year	*81,583	128,181
Add: Prev. surplus	1,782,127	1,653,946
Surplus forward	1,700,544	1,782,127

*Deficit.

Earnings per Share and Dividend Record:

	1941	1940
Earned	$0.103	$0.146
Paid	0.12	0.12
No. of Shs. Outstand.	5,000,000	5,000,000

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THE CHARTERED BANKS OF CANADA

B. C. Wooden Shipyards Say They Lack Work

From Our Own Correspondent

VANCOUVER.—British Columbia possesses 18 wooden shipyards, but they are threatened with a long period of idleness unless work is soon found for them. Ottawa has frowned on the suggestion that the existing facilities be utilized in the construction of wooden freighters, but yard operators are hoping that the federal government will yet experience a change of heart in view of the pressing need for all seagoing tonnage.

"There isn't much use in looking to private interests for orders because of the strict priorities on all but war business," one operator told The Financial Post. "Contracts for fishboats and towboats used to keep us relatively busy, but difficulty in obtaining equipment used in their construction will eliminate most of that this season.

"Meanwhile, if government contracts are not forthcoming, there is nothing for us to do but sit back and watch our plants deteriorate from lack of use and our skilled staffs scatter to other fields of employment."

West coast wooden shipbuilders say they are well equipped to handle more orders for Fairmile craft and for mine sweepers such as the British government recently ordered in the United States on a lend-lease basis.

There is also the possibility that the Canadian government may place orders for large fishing craft on this coast to replace some of the vessels taken over from the Japanese and commandeered by the navy.

Britain needs more fish than ever from British Columbia this year—canned salmon and canned herring; yet fishermen face the new season with fewer vessels than have been available for years. Unless new craft are quickly placed in commission, the government may be obliged to permit more intensive fishing to make up the otherwise inevitable deficiency in the pack.

I.B.M. Meets War Need In New Department

All war activities of International Business Machines Co. in Canada and the United States are being co-ordinated through a new Department of Logistics under Major Frederick W. Nichol, vice-president and general manager.

One of the important functions of the new department is to co-operate with all agencies of the government and other companies manufacturing munitions and other war material.

Thomas J. Watson, president, explains that decision to establish a Department of Logistics in the company was made owing to the large amount of munitions work which I.B.M. is doing, the larger amount projected, and the important part which the company's regular business machines are playing in the general war programme.

In Line With Policy

Formation of the new department is in line with the company's announcement of Jan. 21 that I.B.M.'s principal engineers, scientists and inventors at I.B.M.'s research and engineering laboratories are now concentrating their efforts on the development of munitions, guns and implements of war.

Logistics in the technical sense is the science of maintaining an army in the field. Today, states Mr. Watson, Logistics, in the broadest sense, is the science of maintaining the very existence of the United Nations during the war.

Mr. Watson goes on:

"It is not enough merely to produce munitions, or foodstuffs, or clothing, or medical and surgical supplies. All of these innumerable articles must be moved expeditiously from the places of manufacture or origin to the places where needed, in the quantities needed, to arrive at the time needed. This would be a staggering problem under the best of conditions. However, with time now the most precious commodity the world has known in all its history and with the indicated requirements for every possible transportation facility, there is no margin for error, either of underestimation or overestimation. Nothing can be left to luck, optimism, or guesswork. What is needed is an engineering approach to this great problem, and that is what the Department of Logistics is being organized to provide."

ELECTED TO BOARD

Walter A. Merrill, K.C., has been elected to the board of the Fidelity Insurance Co. of Canada. Mr. Merrill is senior member of the law firm of Merrill, Stalker & Howard, Montreal.

B.C. Man Power Shortage Said Intensifying

From Our Own Correspondent

VANCOUVER.—Scarcity of labor is shaping up as British Columbia's major industrial problem as spring advances with a continuing demand for large-scale production.

All primary industries in the west coast province are affected, especially logging and sawmilling, mines and farms. In the fishing industry several thousand hands have been withdrawn as a result of evacuation of the Japanese, but no serious dislocation is feared owing to the flexibility of production methods and the ability of the industry to increase the fish catch by modifying regulations as to closed seasons and nature of gear.

No such easy "out" is available for the lumbermen, however. British Columbia's top-ranking industry, which last year set new production records, has already shown signs of unmistakeable decline in output and this is due almost entirely to shortage of men, with difficulty in getting delivery of equipment as a minor contributing factor, although by no means a negligible one.

Shortage is Felt

Ordinarily, about 12,000 loggers are engaged in the woods of British Columbia. Spokesmen of the industry declare that there is room for another 800 men; that the actual shortage already amounts to more than 5%, at a time when the logging camps and sawmills are being urged by the Timber Control Board to produce more lumber than ever.

The average logging payroll in British Columbia is about $20 millions a year. Common labor in the woods receives about $4.50 to $5.50 a day, with skilled hands receiving up to $10 per eight-hour day. This is the highest scale in Canada for that type of work, and logging operators claim that it has encouraged a tendency on the part of individual loggers to drift from camp to camp and take longer layoffs, resulting in interruption of operations.

Say Agitators Busy

There have been no serious labor strikes in the logging industry recently, but there is an apparent lack of harmony in the Queen Charlotte timber country, where airplane spruce is being produced. The operators have been trying to get their men to sign up an agreement for the war's duration, and charge that agitators from the International Woodworkers, a C.I.O. affiliate, have been obstructing negotiations by insisting on recognition of the union and other conditions.

Enlistments in the armed forces and the attraction of war industries close to the cities have been other complications facing the timber industry's labor supply. These have also been responsible for a drain on the province's mine man power, and several mining operators complain of a lack of skilled men.

New Books . . .

Cripps as Rebel and Pacifist

STAFFORD CRIPPS: PROPHETIC REBEL. By Eric Estorick. Published by Longmans, Green and Co., Toronto. Price $3.

Most talked of man in the world at this particular moment is Sir Stafford Cripps and it is appropriate that an "authorized" biography of him should appear. But it is a most disappointing biography. The author, an American university Liberal who has apparently worked with Cripps on some matters, has not been content to write the simple story of Cripps' life. Mr. Estorick has grasped the opportunity to do a little preaching of his own private brand of "anti-Imperialism." He paints a dishonest and left-handed picture of the Britain whose "liberal conscience" brought Cripps to the top. And he is not at all the honest critic in his life of Cripps himself. He is most vague about the helpfulness or otherwise of Cripps' contribution to the steeling of the British people for the task that faced them after Munich. On the most important phase of Cripps' whole work—his months in Moscow—there is little information although the author is supposed to have had access to Cripps' private files.

Within the limitations of the short-comings, Mr. Estorick has written a timely volume about a key figure in today's world—and possibly in tomorrow's world. The portrayal he gives of Cripps' early life, his aristocratic background, the liberalizing influence of his father, Lord Parmoor, his training as a scientist and chemist, his sudden jump into law, his vast and profitable success at the bar, and his emergence into politics—all these are well told. (There is one amusing blunder or misprint where the author says that Cripps "took sick"; he means "took silk.")

Although intended to present Sir Stafford as the key figure of today, the volume leaves one with a sense of the futility of Cripps' leadership. There are extensive quotations from his speeches and writings. He railed against "imperialistic rearmament" at the same time that his much-admired Russia was building guns and tanks and planes to meet the Axis enemy. Cripps called for a stand against Fascism and in the same speeches said such things as this "The cry of false patriotism that is raised to support a policy of large armaments has always been a trick of the militarist and capitalist imperialist . . ." After Munich, Cripps reiterated his demand for a "united front" against the Fascist powers but he opposed giving even Britain strength with which to fight.

Mr. Estorick republishes the memorandum in which Cripps and some others called for a "Popular Front" in British Labor. He calls it "a brilliantly incisive report on the international situation." Notable is the fact that there is not a single word in it about the need for, or the ways and means of getting, the tools with which to fight.

Mr. Estorick's biography is full of unprincipled Leftist propaganda. The policies of the Chamberlain government, he says, were in large part responsible for the war. "The stand against Hitler is being made because the possibility of using him as a lever to overthrow Stalin vanished." There is much more of the same.

One wonders if Sir Stafford Cripps "authorized" his biographer to write such dishonest stuff.

A Voice from the Left

SHALL OUR CHILDREN LIVE OR DIE? By Victor Gollancz. Published by the Ryerson Press, Toronto. Price $1.25.

Mr. Gollancz, who is the "sugar daddy" of the younger Leftist writers of Britain, has two chief comments to make by way of answering the question that his title poses.

If "Vansittartism" prevails, if we hate all Germans and in the "peace" settlement attempt to destroy Germany, then, he thinks, our children will die, for there will surely be another war.

But, if we want our children to live, then we must quickly adopt international socialism, for it is the one certain cure for war.

If one accepts the simple and naive idea that war is solely the product of capitalism, of the profit motive, of economic imperialism, then one will find Mr. Gollancz's volume a feverish fighting argument.

To those who find such over-simplifications a little wearying, the book is none too convincing. Mr Gollancz, for instance, revives all the old controversies about the munitions-makers who start wars for profit. There are some people who feel the world would be a better place to live in today and our sacrifices would be less if the munitions-makers had been a little more successful in selling tanks, planes and guns to the democratic nations.

Who Makes What

CANADIAN TRADE INDEX. Edited by T. M. Kerruish. Published by the Canadian Manufacturers' Association, Toronto. Price $6.

The editors of this long-established annual authority and reference book summarize very well its purpose when they say in the introduction:

"The primary object of the publishers of the Canadian Trade Index is to provide buyers and sellers at home and abroad with an authoritative directory of the products manufactured in Canada with the names of the firms making them. It includes a complete list of all Canadian manufacturers having more than a local distribution for their products."

Actually this book is considerably more than just a list of products and the people who make them. Since it was first published in 1900 it has grown a great deal and taken on a semi-official position.

For many years it has been a national publication. To assist buyers in other countries, lists of Canada's overseas trade representatives are included and French and Spanish indexes have been added. Through the co-operation of the Department of Trade and Commerce a special export section has been added and a list of producers, shippers and exporters of agricultural and allied lines included.

Of particular interest is the special export section. In this is explained what Canada does to help exporters and importers; the various services provided such as foreign tariffs, steamship services, publicity and advertising, exhibitions and publicity services, all carried out by the Government. Summarized trade statistics give a picture of where Canada buys and how much and where we sell our goods. The mechanics of carrying on an export trade is outlined, covering such matters as financing credit, foreign exchange and, finally, five methods of doing export business.

Power Usage Gains 22%

All Provinces Report Heavier Consumption Than Year Ago

From Our Own Correspondent

MONTREAL.—Reflecting the accelerated industrial war effort, Canada is using 22% more firm power this year than a year ago.

According to the Dominion Bureau of Statistics net firm power consumption in the Dominion during February totalled 2,458 million kw.h. This contrasted with 2,008 million kw.h., as against 2,407 million kw.h. and represented a new high record for that month.

All provinces shared in the growth in demand, the advances in Alberta, British Columbia, Ontario, Quebec and Nova Scotia being particularly marked.

Comparison of net consumption in February, 1942 and 1941 follows:

Net Consumption Firm Power
(Thousands Kilowatt Hours)

P. E. I.	900	755
N. S.	41,834	36,540
N. B.	32,250	30,435
Que.	1,091,960	820,793
Ont.	917,990	803,039
Man.	88,589	77,756
Sask.	50,427	45,369
Alta.	34,170	24,875
B. C.	199,987	169,163
Total	2,458,107	2,008,725

The same general trend is apparent in the cumulative returns for the first two months of 1942 as against the like period of 1941.

During February the central electric stations produced 2,842 million kw.h., as against2,407 million kw.h. in February, 1941. This is the largest production ever recorded by the industry for any like month.

Exports to the United States last February totalled 176 million kw.h. compared with a like amount in February last year.

Secondary power consumption in February amounted to 208 million kw.h. for Canadian use and 69 million kw.h. for export, a total of 277 million kw.h. This compares with 287 million kw.h. in February, 1941.

Air Line Forms Victory Corp.

Formation of a new corporation to handle the special military assignments of United Air Lines is announced by W. A. Patterson, president. New organization, United Air Lines Victory Corporation, is to be a non-profit unit, staffed by personnel of the line and headed by Mr. Patterson.

"United Air Lines has been co-operating with the various branches of the government in the war effort," and says Mr. Patterson, "one of the basic premises for fostering airline development in this country has been the potential value to national defense of an efficient air transport system. We are organizing the new corporation in the expectancy it will help to make this value felt more than ever in our war programme."

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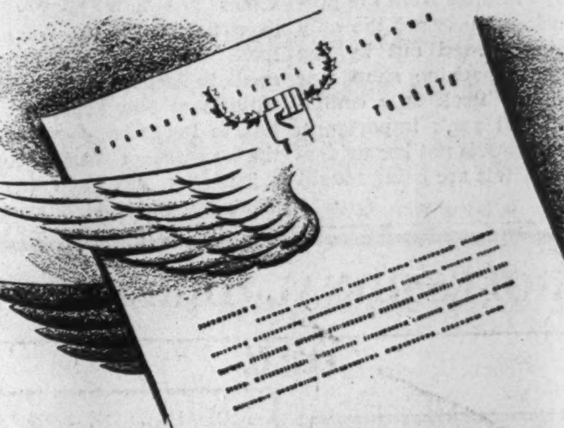

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Rubber Use List Narrows

Restrictions Now Apply to Reclaim as Well as New Rubber

Reclaim rubber may now be put into process only by permit or to make essential war supplies. Stocks of all civilian reclaim rubber not in process have been frozen as from March 23.

Civilian articles which are regarded as necessary and for which rubber, either new or reclaimed, can be used, includes:

Medical, surgical, laboratory supplies, and druggists' sundries.

Protective clothing, gloves and footwear for police firefighting, commercial fishing, mining, lumbering, merchant marine, decontamination, and where necessary, for workers in the dairy, canning, acid, and electrical industries.

Articles for industrial machinery, hard rubber and sponge rubber products and compound latex for industrial equipment and for the repair of industrial plants and mines, fire departments, transportation companies and other public utilities.

Component parts, not otherwise specified, made wholly or partly of rubber for incorporation in articles of various kinds, if the Controller has first stated in writing that rubber is necessary in their manufacture.

Rubber compounds for the making of wire and cable.

Suction and gasoline hose.

Essential plumbers' supplies.

Tires and tubes of seven inches or more in cross-section for other than private passenger cars. (No passenger car tires are being made.)

Tire repair materials, other than tire repair kits.

Camelback for retreading.

Automotive parts (on permit).

Rubber cement for the shoe trade.

Staple black lines of waterproof footwear.

Jar rings and sealing compounds for canning foods other than beverages.

Bicycle tires for new bicycles may be manufactured, but the rubber released for this purpose will be limited to 100% of the monthly average from June 1, 1940 to May 31, 1941. Bicycle tires for replacement may be made on a quota of 50% of the monthly average during the same period.

Telegraphs Streamline Delivery Service

In future, when the Canadian Pacific or Canadian National telegraphs telephone a message, the recipient is asked to accept it as a completed service. In the past, telephone calls were followed up by delivery of the telegram, but due to difficulty in securing boys and girls for messenger service, the telegraph companies are streamlining deliveries.

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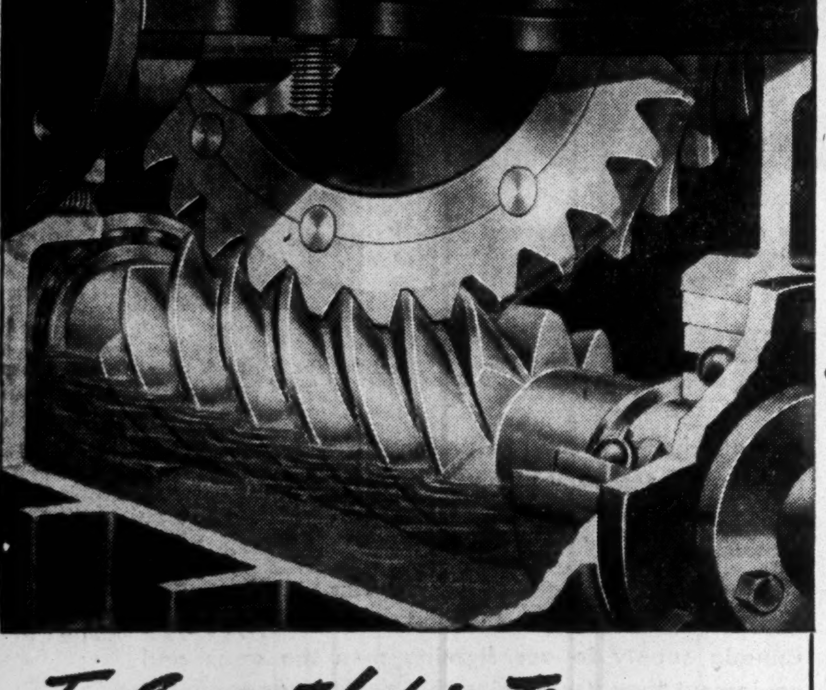

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NOT as telephone engineers reckon quickness! True, the long distance telephone will carry your words almost with the speed of light clear across the continent . . . but it takes half a second to say "Jack Robinson" . . . and, if a million telephone subscribers were to say it over one long distance line, it would tie that line up for six days and six nights! During the present emergency, you can help us to maintain long distance telephone service at its normal peak of efficiency by not saying "Jack Robinson" unless you really have to. Whenever possible, place your long distance calls "Station-to-Station" rather than "Person-to-Person". You'll save money, too, because "Station-to-Station" costs less.

THE TRANS-CANADA TELEPHONE SYSTEM

The Trans-Canada Telephone System and its member companies are doing their best to meet urgent war needs and at the same time satisfy growing civilian demands for day-to-day long distance telephone service.

TRANS-CANADA TELEPHONE SYSTEM

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